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QUALITEK LABS LIMITED

Corporate Identity Number: U74999DL2018PLC334105

Our Company was originally incorporated as a Private Limited Company in the name of “Qualitek Labs Private limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated May 17, 2018, issued by Registrar of Companies, Delhi bearing Corporate Identification Number U74999DL2018PLC334105. The registered office of our company is situated at 73, National Park Lajpat Nagar- IV New Delhi, South Delhi 110024 India. For details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled “Our History and Certain Other Corporate Matters” beginning on page 151 of this Draft Prospectus.

Registered Office: 73, National Park Lajpat Nagar- IV New Delhi, South Delhi, 110024 India
Tel No.: 011-41729056/57
Email: info@qualiteklab.com
Website: www.qualiteklab.com

Corporate Office: C-40, near Nexa showroom, Block C, Sector 57, Noida, Uttar Pradesh 201301
Tel No.: 0120 4336939
Email: company.secretary@qualiteklab.com
Contact Person: Ashima Bhatnagar

Promoters of the Company: Alok Kumar Agarwal, Antaryami Nayak, Kamal Grover and TIC Services Private Limited

ADDENDUM TO THE DRAFT PROSPECTUS DATED DECEMBER 21, 2023: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC ISSUE OF 19,64,400 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (“EQUITY SHARES”) OF QUALITEK LABS LIMITED (“OUR COMPANY” OR “THE ISSUER COMPANY”) FOR CASH AT A PRICE RS. 100/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 90/- PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO RS. 1,964.40 LAKHS (“THE ISSUE”), OUT OF WHICH 99,600 EQUITY SHARES OF RS. 100/- PER EQUITY SHARE, WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 18,64,800 EQUITY SHARES AT AN ISSUE PRICE OF RS. 100/- PER EQUITY SHARE AGGREGATING TO RS. 1864.80 LAKHS (IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.65% AND 25.30% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 292 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- AND ISSUE PRICE DETERMINED BY OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER, AS STATED UNDER “**BASIS FOR ISSUE PRICE**” ON PAGE 113 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.

Potential Applicants may note the following:

1. In the section II “**Summary of offer document**”, provided herein below as part of Addendum, modifications have been updated.
2. In the section III “**Risk Factors**”, provided herein below as part of Addendum, modifications have been updated.
3. In the section “**Summary of Financial Information**”, provided herein below as part of Addendum, modifications have been updated.

4. In the section “General Information”, provided herein below as part of Addendum, modifications have been updated
5. In the section “Capital Structure”, provided herein below as part of Addendum, modifications have been updated
6. In the section “Objects of the Issue”, provided herein below as part of Addendum, modifications have been updated.
7. In the section “Basis for Issue Price”, provided herein below as part of Addendum, modifications have been updated.
8. In the section “Our Business”, provided herein below as part of Addendum, modifications have been updated.
9. In the section “Our Management”, provided herein below as part of Addendum, modifications have been updated.
10. In the section “Government and Other Approvals”, provided herein below as part of Addendum, modifications have been updated.
11. In the section “Other Regulatory and Statutory Disclosures”, provided herein below as part of Addendum, modifications have been updated.

The above is to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

On Behalf of Qualitek Labs Limited

Sd/-

Antaryami Nayak


Managing Director

DIN: 07232463


Date: December 21, 2023

Place: Delhi

LEAD MANAGER TO THE ISSUE

| | |
|---|---|
|  <p>ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED</p> | <p>Onewiew Corporate Advisors Private Limited Address: Bajaj Bhawan, Room No. 111, 11th Floor, Nariman Point, Mumbai -400021 Tel: +91- 22- 43472247 Email: mbd@oneviewadvisors.com Website: www.oneviewadvisors.com Contact Person: Ms. Alka Mishra SEBI Registration No: INM000011930</p> |
|---|---|

REGISTRAR TO THE ISSUE

| | |
|---|--|
|  <p>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</p> | <p>Skyline Financial Services Pvt. Ltd. Address: D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel: 011-40450193-197 Fax: 011 -26812683 Website: www.skylinerta.com Email: ipo@skylinerta.com Investor Grievance ID: grievances@skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration Number: INR000003241</p> |
|---|--|

ISSUE PROGRAMME

| | |
|-----------------|-----|
| ISSUE OPENS ON | [•] |
| ISSUE CLOSES ON | [•] |

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SECTION II – SUMMARY OF ISSUE DOCUMENT

OBJECTS OF THE ISSUE

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

(Rs. in Lakhs)

| Sr. No. | Purpose | Net Proceeds |
|----------------|---|---------------------|
| 1. | Funding capital expenditure towards installation of plant and machinery for new laboratory and for expansion of existing laboratory | 622.38 |
| 2. | Repayment of unsecured loan to Promoter | 818.16 |
| 3. | Funding of working capital requirements | 250.00 |
| 4. | General corporate purposes* | 140.64 |
| | Total | 1831.18 |

* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

RELATED PARTY TRANSACTIONS

The details of related party transaction for the FY 2022-23, 2021-22 and 2020-21 based on Restated Standalone Financial Statements are given as under:

(Rs. in Lakhs)

| Name of Party | Nature of Transaction During the year | March 31, 2023 | March 31, 2022 | March 31,2021 |
|---|---------------------------------------|----------------|----------------|---------------|
| Mr. Kamal Grover | Remuneration | - | - | - |
| | Reimbursement of Expenses | 6.77 | 9.93 | - |
| | Loan taken | 13.05 | 6.50 | 1.94 |
| | Loan repaid | 13.49 | 6.50 | 1.50 |
| | Advance given | - | 11.59 | 2.00 |
| | Advance repaid | 10.09 | 1.50 | 2.00 |
| Mr. Antaryami Nayak | Remuneration | - | - | - |
| | Loan Repaid | - | - | 2.55 |
| | Advance given | - | 31.00 | - |
| | Advance repaid | 20.00 | 4.50 | - |
| | Investment sold | 0.35 | - | - |
| Navneet Gupta | Remuneration | - | - | - |
| Ashima Bhatnagar | Remuneration | - | - | - |
| Mr. Alok Kumar Agarwal | Investment sold | 0.35 | - | - |
| TIC Services Private Limited | Loan taken | 850.71 | 914.18 | 443.68 |
| | Loan repaid | 852.05 | 888.29 | 32.50 |
| ASC Consulting Private Limited | Loan taken | 20.00 | - | - |
| | Loan repaid | - | - | - |
| | Professional Expense | 0.01 | 0.08 | - |
| Quality &Testing Infosolution Private Limited | Advance given | 26.11 | 99.21 | 27.45 |
| | Payment received Against Loan | 149.17 | 3.10 | 0.50 |
| | Software Development Fees | 1.96 | 0.09 | - |
| | Purchase of Software | 3.20 | - | - |
| | Investments old | 0.70 | - | - |
| ASC Financial Services Private Limited | Professional expense | - | 6.21 | - |
| ASCBSR and Company LLP | Professional expense | 5.25 | 5.50 | 3.00 |
| Interstellar Testing Centre Private Limited | Testing service income | 43.39 | 5.99 | 0.20 |
| | Testing expense | 13.84 | 6.81 | 0.03 |
| | Advance given | 14.07 | - | - |
| | Loan repaid | 12.07 | - | - |
| SKM Realcon Private Limited | Rent service | 21.60 | - | - |

Balance Outstanding at the year ended with related parties:

(Rs. in Lakhs)

| Particulars | Party Name | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|---|--|-----------------------|-----------------------|-----------------------|
| Short term borrowings | Kamal Grover | - | 0.44 | 0.44 |
| | TIC Service Private Limited | 818.16 | 819.50 | 793.61 |
| | ASC Consulting Private Limited | 20.00 | - | - |
| | Antaryami Nayak | - | - | - |
| Investment made | Quality & Testing Infosolution Pvt. Ltd. | - | 0.70 | 0.70 |
| Long term / Short term loan & Advances | Kamal Grover | - | 10.09 | - |
| | Antaryami Nayak | 6.50 | 26.50 | - |
| | Quality & Testing Infosolution Pvt Ltd | - | 123.06 | 26.95 |
| | Interstellar Testing Centre Pvt. Ltd. | 2.00 | - | - |
| Payable | A S C B S R And Company LLP | 1.66 | 3.24 | 2.76 |
| | Interstellar Testing Centre Pvt. Ltd. | 22.88 | 9.60 | 3.54 |
| | SKM Realcon Private Limited | 3.89 | - | - |
| | Quality & Testing Infosolution Pvt Ltd | 3.78 | 0.10 | - |
| | ASC Consulting Private Limited | 0.57 | 0.08 | 0.61 |
| | Kamal Grover | 0.12 | 0.27 | - |
| Receivable | Interstellar Testing Centre Pvt. Ltd. | 61.88 | 6.31 | 4.50 |
| | Kamal Grover | - | - | 2.19 |

SECTION III – RISK FACTORS

1. Within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 99 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue.

Our funding requirements and deployment of the Net Proceeds are based on the certificate dated August 19, 2023 issued by J Madan & Associates, Chartered Accountants, internal management’s estimates which are based on current market conditions and have not been appraised by any bank or financial institution. We intend to use the entire Net Proceeds towards funding capital expenditure towards installation of Plant and Machinery for new laboratory and for expansion of existing laboratory. working capital management, repayment of loan to our promoter TIC Services Private Limited and general corporate purposes. We intend to deploy the Net Proceeds in FY 2023-24 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled **“Objects of the Issue”** beginning on page 99 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled **‘Objects of the Issue’** beginning on page 99 of this Draft Prospectus, the management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the Company shall comply with Section 27 of the Companies Act, 2013 before varying the **‘Object of the Issue’**. Our Board of Directors will monitor the utilization of the proceeds of this issue.

2. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

(Rs. in lakhs)

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash flow from operating activities | 717.86 | (511.94) | 135.03 |
| Cash flow from investing activities | (1731.47) | (173.29) | (606.68) |
| Cash flow from financing activities | 1046.34 | 673.94 | 481.92 |

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet its 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 flow, it may adversely affect our business and financial operations. For further details please refer to the section titled **“Financial Statements as Restated”** and chapter titled **“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”** beginning on page no. 187 and page no. 252 respectively, of this Draft Prospectus.

3. Several members of the Promoter Group of our Company do not have income tax returns as well as KYC documents required for the purpose of identification of entities in which the Promoter Group may have an interest.

The members of Promoter group are required to provide income tax returns as well as KYC documents for the purpose of identification of entities in which the relatives of the Promoter may have an interest. Few members of Promoter Group do not hold Permanent Account Number (PAN) Card and has never applied before the relevant authority for obtaining the PAN Card. Further, they have not filed any Income tax returns. Therefore, the resultant entities which could form a part of Promoter Group could not be identified.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "Other Financial Information" on page 251. The following tables set forth the summary financial information derived from the Restated Consolidated Financial Statement and Restated Standalone Financial Statement of our Company.

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

| S. No. | Particulars | March 31,2022 | March 31,2021 |
|------------|---|----------------|----------------|
| I. | Equity and Liabilities | | |
| 1 | Shareholders' fund | | |
| | Share Capital | 46.00 | 1.00 |
| | Reserves and Surplus | 41.73 | (54.46) |
| | Minority Interest | - | - |
| | | 87.73 | (53.46) |
| 2 | Non-Current Liabilities | | |
| | Long Term Borrowings | 19.88 | 25.07 |
| | Deferred tax liabilities(Net) | 3.91 | 0.58 |
| | Long Term Provisions | 3.32 | 1.20 |
| | | 27.11 | 26.85 |
| 3 | Current Liabilities | | |
| | Short Term Borrowings | 1714.80 | 1096.75 |
| | Trade Payables | | |
| | -Total outstanding dues of micro enterprises and Small enterprises | 68.55 | 179.58 |
| | -Total outstanding dues of creditors other than Micro enterprises and small enterprises | 88.06 | 58.18 |
| | Other Current Liabilities | 115.31 | 125.17 |
| | Short Term Provisions | 0.36 | 0.35 |
| | | 1987.09 | 1460.03 |
| | TOTAL | 2101.93 | 1433.42 |
| II. | Assets | | |
| 1 | Non-current assets | | |
| | Property, Plant and Equipment and Intangible Assets | | |
| | -Property, Plant and Equipment | 759.50 | 633.36 |
| | -Capital Work in Progress | 447.15 | 447.15 |
| | Non-Current Investment | - | - |
| | Long Term Loans & Advances | 139.79 | 72.23 |
| | Other Non-Current Assets | 86.94 | 26.70 |
| | | 1433.37 | 1179.44 |
| 2 | Current Assets | | |
| | Trade Receivables | 220.12 | 120.23 |
| | Cash and Bank Balances | 102.79 | 14.33 |
| | Short Term Loans and Advances | 344.50 | 118.43 |
| | Other Current Assets | 1.14 | 0.99 |
| | | 668.56 | 253.98 |
| | TOTAL | 2101.93 | 1433.42 |

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

| S. No. | Particulars | March31, 2022 | March 31, 2021 |
|----------|---|----------------|----------------|
| A | Income | | |
| | Revenue from operations | 1201.10 | 635.49 |
| | Other Income | 5.16 | 1.95 |
| | Total Income(I) | 1206.25 | 637.44 |
| B | Expenses | | |
| | Direct Expenses | 189.43 | 150.81 |
| | Employee Benefit Expense | 395.93 | 137.22 |
| | Finance costs | 31.93 | 1.08 |
| | Depreciation & Amortization | 50.77 | 34.79 |
| | Other Expenses | 489.59 | 274.89 |
| | Total expenses(II) | 1157.64 | 598.79 |
| C | Profit before tax | 48.61 | 38.65 |
| D | Tax expenses | | |
| | Current tax | 3.08 | - |
| | Deferred Tax Liability/(Assets) | 3.34 | 23.34 |
| | Tax expense | 6.42 | 23.34 |
| E | Profit/(loss)for the Period from continuing operations | 42.19 | 15.31 |
| F | Profit Attributable to | | |
| | -Holding Company | 42.19 | 15.61 |
| | -Non-Controlling Interest | - | (0.30) |
| G | Restated Earnings per equity share | | |
| | Nominal value of share Rs.10 | | |
| | Basic | 20.73 | 156.10 |
| | Diluted | 20.73 | 156.10 |

RESTATED CONSOLIDATED STATEMENT OF CASHFLOW

(Rs. In Lakhs)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Cash Flow from Operating Activities | | |
| Net Profit Before Tax | 45.53 | 38.65 |
| Add: Depreciation | 50.77 | 34.79 |
| Add: Finance Cost | 31.93 | 1.08 |
| Add: Provision for Gratuity | 2.12 | 0.41 |
| Less: Liability Written off | (4.04) | (0.09) |
| Less: Accrued Income | (0.04) | |
| Add: Bad Debts | 0.35 | 0.11 |
| Operating Profit before Working Capital Changes | 126.61 | 74.94 |
| Changes in working Capital requirements | | |
| (Increase)/Decrease in Trade receivable | (100.24) | (70.64) |
| (Increase)/Decrease in Other Assets | (100.11) | (0.95) |
| Increase/(Decrease)in other Current Liabilities | (5.82) | 92.27 |
| Increase/(Decrease)in Trade Payable | (81.14) | 118.94 |
| Increase/(Decrease)in Short Term Provision | - | 0.06 |
| (Increase)/Decrease in Loans and Advances | (236.17) | (38.21) |
| (Increase)/Decrease in security deposit | (60.24) | |
| | (457.11) | 176.41 |
| Less:(Taxes Paid)/Refunded | (57.46) | (41.14) |
| Cash Flow from Operating Activities(A) | (514.57) | 135.27 |
| Cash Flow from Investing Activities | | |
| Purchase Of Property, Plants & Equipment's | (176.91) | (605.98) |
| Minority Interest | | 0.30 |
| Cash Flow from Investing Activities(B) | (176.91) | (605.68) |
| Cash Flow from Financing Activities | | |
| Issue of Share Capital | 45.00 | - |
| Proceeds from security premium | 54.00 | - |
| Proceed from Long Term Borrowing | - | - |
| Repayment of Long-Term Borrowings | (5.19) | (614.46) |
| Increase/(Decrease) in Short Term Borrowings | 618.05 | 1097.41 |
| Finance Cost | (31.93) | (1.08) |
| Cash Flow from Financing Activities(C) | 679.93 | 481.88 |
| | | |
| Cash & Bank Balance During the Year | (11.54) | 11.46 |
| Add: Cash& Bank Balance Last Year | 14.33 | 2.87 |
| Total Cash & Bank Balance | 2.79 | 14.33 |
| Components Of Cash and Bank Balance in Balance Sheet | | |
| | | |
| Balance with Bank and cash | 2.79 | 14.33 |
| Total Cash& Bank Balance | 2.79 | 14.33 |

GENERAL INFORMATION

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets out details regarding our Board as on the date of this Draft Prospectus:

| Sr. No | Name | DIN | Address | Designation |
|--------|---------------------------|----------|---|------------------------|
| 1. | ANTARYAMI NAYAK | 07232463 | C-249, Near APJ School, Sheikh Sarai, Phase1, New Delhi, South Delhi, Delhi110017 | Managing Director |
| 2. | ALOK KUMAR AGARWAL | 02713687 | 166 SFS Apartment, Hauz Khas S.O., South West Delhi, Delhi -110016 | Non-Executive Director |
| 3. | KAMAL GROVER | 07429267 | Houseno.472,1st floor, Sector2, Panchkula, Sector 8, Panchkula, Haryana-134109 | Whole Time Director |
| 4. | SULABH JAIN | 07739598 | F-225 U/G/F, Main Mangal Bazar, Laxmi Nagar, East Delhi, Delhi-110092 | Independent Director |
| 5. | SHUBHANGI AGARWAL | 08135535 | B 3/22 Third Floor, Rana Pratap Bagh, PO: Malka Ganj, District: North Delhi, Delhi-110007 | Independent Director |
| 6. | MANISH WAHI | 09785936 | Plot No. 898, FF-4, Niti Khand 1, Indirapuram, Near Orange County, Shipra Sun City, Ghaziabad, Uttar Pradesh,201014 | Independent Director |

CAPITAL STRUCTURE

1. PAID-UP SHARE CAPITAL HISTORY OF OUR COMPANY

| Date of Allotment/ Fully Paid-up | No. of Equity Shares allotted | Face value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of allotment (bonus, swap etc.) | Cumulative number of Equity Shares | Cumulative Paid-up Share Capital (Rs.) |
|-------------------------------------|-------------------------------|------------------|-------------------|-------------------------|--|------------------------------------|--|
| On Incorporation | 10,000 | 10 | 10 | Cash | Subscription to MOA(2.1) | 10,000 | 1,00,000 |
| 26.10.2021 | 4,50,000 | 10 | 12 | Cash | Rights Issue(2.2) | 4,60,000 | 46,00,000 |
| 24.11.2022 | 3,12,500 | 10 | 160 | Other than cash | Conversion of loan into equity(2.3) | 7,72,500 | 77,25,000 |
| 01.12.2022 | 46,35,000 | 10 | - | Other than cash | Bonus Issue (2.4) | 54,07,500 | 5,40,75,000 |

OBJECTS OF THE ISSUE

The Issue comprise of a fresh Issue of 19,64,400 Equity Shares of our Company at an Issue Price of Rs. 100/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Funding capital expenditure towards installation of plant and machinery for new laboratory and for expansion of existing laboratory;
2. Repayment of unsecured loans to Promoter;
3. Funding of working capital requirements; and
4. General corporate purposes.

UTILIZATION OF NET PROCEEDS:

(Rs. in Lakhs)

| Purpose | Net Proceeds |
|---|----------------|
| Funding capital expenditure towards installation of plant and machinery for new laboratory and for expansion of existing laboratory | 622.38 |
| Repayment of unsecured loan to Promoter | 818.16 |
| Funding of working capital requirements | 250.00 |
| General corporate purposes* | 140.64 |
| Total | 1831.18 |

* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Prospectus, except for Issue related expenses, our Company had not deployed any funds towards the Objects of the Issue.

(Rs. in Lakhs)

| Sr. No. | Purpose | Amount to be funded from the Net Proceeds | Estimated utilization of Net Proceeds (F.Y. 2023-24) |
|---------|---|---|--|
| 1. | Funding capital expenditure towards installation of plant and machinery for new laboratory and for expansion of existing laboratory | 622.38 | 622.38 |
| 2. | Repayment of unsecured loan to Promoter | 818.16 | 818.16 |
| 3. | Funding of working capital requirements | 250.00 | 250.00 |
| 4. | General corporate purposes* | 140.64 | 140.64 |

The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

MEANS OF FINANCE

We intend to finance our Objects of the Issue through Net Proceeds which are as follows:

(Rs. in Lakhs)

| Particulars | Total estimated amount | Amount to be funded from the Net Proceeds |
|---|------------------------|---|
| Funding capital expenditure towards installation of plant and machinery for | 622.38 | 622.38 |

| | | |
|---|--------|--------|
| new laboratory and for expansion of existing laboratory | | |
| Repayment of unsecured loan to Promoter | 818.16 | 818.16 |
| Funding of working capital requirements | 250.00 | 250.00 |
| General corporate purposes* | 140.64 | 140.64 |

DETAILS OF THE OBJECTS OF THE ISSUE

The details of the fresh issue are set out below:

1. Funding capital expenditure towards installation of plant and machinery for new laboratory and for expansion of existing laboratory

In order to expand our operations and to cater the demand of existing and new customers, our Company is required to make capital expenditure. Our company proposes to use part of Net Proceeds to the extent to Rs. 622.38 Lakhs to meet capital expenditure in relation to installation of machinery for expansion of existing laboratory as well as setting up of new laboratory as mentioned herein below:

| Sr. No. | Description | Location |
|---------|--------------------------------------|---|
| 1 | For setting up new laboratory | C-40, Sector-57, Noida, Uttar Pradesh-201301 |
| 2 | For expansion of Existing laboratory | Plot # E3/1, Block-E, Chakan Industrial Area, Phase-III, MIDC, Village-Kuruli, Pune, Maharashtra-410501 |

3. Funding of Working capital requirements

Assumptions for working capital requirement

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

| Particulars | Unit | FY 22 | FY 23 | FY 24 |
|-------------------------------|------|---------|---------|-----------|
| | | Audited | Audited | Estimated |
| Debtors | Days | 56 | 94 | 80 |
| Creditors | Days | 84 | 124 | 120 |
| Inventories | Days | N/A | N/A | N/A |
| Short term loans and Advances | Days | 114 | 37 | 30 |
| Other Current Liabilities | Days | 58 | 64 | 45 |

Justification

| Sr. No | Particulars | Justification |
|--------|----------------|---|
| 1 | Trade Payables | Our company creditor's payment period of around 4.1 months for Fiscal year 2023 as compared to 2.8 Months for Fiscal year 2022. We expect Creditor's payment period to be |

| | | |
|----|-------------------------------|---|
| | | around 4 months depending upon the working capital requirements and prevailing market conditions. |
| 2 | Trade Receivables | Our Company has given credit facility of around 3.1 months for Fiscal year 2023 as compared to 1.9 months for Fiscal year 2022. Going forward, our Company intends to provide approx. 2.7 months credit facility to our debtors as per market needs. |
| 3 | Inventories | We do not have any inventory for Fiscal 2023 as well as fiscal year 2022. Nor do we intend to hold any inventory in Fiscal 2024. |
| 4. | Short-term Loans and Advances | Our Company has given short-term trade advances of approx. 1.2 months for Fiscal year 2023 as compared to 3.8 months for Fiscal 2022. Going forward, our Company intends to provide only 1 month trade advances as per market needs. |
| 5. | Other Current Liabilities | Our Company has incurred Other current liabilities of approx. 2.1 months for Fiscal year 2023 as compared to 1.9 months for Fiscal 2022. Going forward, we expect our Company to maintain 1.5 months payment period for Other Current liabilities depending upon the working capital requirements and prevailing market conditions. |

BASIS FOR ISSUE PRICE

Comparison of Accounting Ratios with Industry Peers

| Name of Company | Current Market Price (₹) | Face Value | EPS Basic/Diluted | PE | RoNW (%) | Book Value (₹) | Total Income (₹In lakhs) |
|--------------------------|--------------------------|------------|-------------------|-------|----------|----------------|--------------------------|
| Qualitek Labs Limited | 100.00 | 10 | 7.45 | 13.43 | 30.10 | 24.74 | 1935.13 |
| Peer Group | | | | | | | |
| Choksi Laboratories Ltd. | 54.14 | 10 | 4.69 | 11.72 | 6.58 | 30.31 | 3,465.76 |

Notes:

- a) Source –All the financial information for listed industry peers mentioned above is sourced from the Audited Financial Results of the aforesaid company for the year ended March 31, 2023 and stock exchange data dated October 09, 2023 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of Equity Share.
- b) Further, P/E Ratio is based on the current market price of the respective scrips.
- c) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Standalone Financial Statement for the Financial Year 2022-23.




OUR BUSINESS


LICENSES

Our Company has obtained the requisite licenses, approvals, registrations, consents and permits under central, state and local government rules from the relevant government authorities, in the ordinary course of business. However, our business may be subjected to penalties and regulatory actions, due to non-compliances. For details see, **“Risk Factor-(g)- we are required to maintain certain licenses, approvals, registrations, consents and permits in the ordinary course of business. Failure to obtain the requisite approvals result in non-compliance and therefore, affect our business operations, financial condition, result of operations and prospects”**, and **“Risk Factor- (h)- There has been certain non-compliance with labour laws by our Company. Consequently, we may be subject to regulatory actions and penalties for such non-compliance and our business and financial condition may be adversely affected”** and on page [•] of the Draft Prospectus.

PLANT AND MACHINERY

The existing owned Plant and Machinery of our Company are as follows:

| Sr. No. | Equipment Name | | Test Purpose | Source (Imported/Indigenous) |
|---------|--|---|--------------------------------------|------------------------------|
| 1. | Resonating Pulsator |  | Fatigue testing of engine components | Imported |
| 2. | Electro Dynamic Shaker (ModelNo.DEV440) |  | Vibration testing | Indigenous |
| 3. | Rapid Temperature Transfer Walk-In Chamber |  | Temperature/humidity testing | Imported |

| | | | | |
|-----|--|---|---|------------|
| 4. | Fade O Meter/Weather O Meter |  | Light Fastness Testing | Imported |
| 5. | Floor Standing Cyclic Corrosion Test Chamber and ACC29 ATCU with other accessories |  | Cyclic Corrosion Testing | Imported |
| 6. | Table Mounted Material Testing Machine 50 KN | | Tensile Testing, Yield Testing | Imported |
| 7. | EGNX28-15NW, N series Global Temp/Humidity Chamber | | Climate testing | Imported |
| 8. | Electric Generating Set 350 kVA | | Generate set | Indigenous |
| 9. | Espec Corp Japan Thermal Shock Chamber, ES Type Model-TSA-203ES-W | | Thermal Shock testing | Imported |
| 10. | Water Chiller (Industrial) 100TR | | For Walk in chamber Heat Exchanger Cooling | Indigenous |
| 11. | Floor Standing Cyclic Corrosion Test Chamber & ACC29 ATCU With other Accessories | | Cyclic Salt spray testing | Imported |
| 12. | Pendulum Impact Tester HIT25P & Notch Milling Machine ZNO2010 | | Charpy & IZOD Impact testing | Imported |
| 13. | Water Chiller 20 TR | | Thermal Shock Chamber Heat Exchanger Cooling | Indigenous |
| 14. | ESPEC Japan Environmental Stress chamber AR Series Model-ARS-1100AE | | Climate testing | Imported |
| 15. | Floor Standing Salt Spray Test Chamber with accessories | | Cyclic corrosion testing | Indigenous |
| 16. | 25TR Water Chiller (Industrial) | | Auxiliary equipment for running the machine | Indigenous |
| 17. | Spectro-guide45/0gloss | | Colour and gloss measurement | Imported |
| 18. | HVUL2-Horizontal Vertical Flame Chamber | | Flammability test | Imported |
| 19. | Cross Cut Kit and Tool | | Auxiliary equipment for running the machine | Imported |
| 20. | Gloss and Haze Meter | | Haze and gloss measurement | Imported |
| 21. | Air Cooled Water Chiller 50TR | | Auxiliary Equipment for Running the machine | Indigenous |

Our Management

Brief Profile of the Directors of our Company

Mr. Alok Kumar Agarwal

Chartered Accountant, Insolvency Professional

Mr. Alok Kumar Agarwal is a successful entrepreneur with over 27 years of experience. He is involved into business related advisory services. After more than 20 years of successful venture in finance, consulting, advisory and taxation field, Mr. Agarwal ventured in testing, inspection and certification (TIC) business by establishing TIC Services Private Limited. Subsequently he established our Company for testing, inspection and certification business in the year 2018. Both TIC and Qualitek have demonstrated a growth and Mr. Agarwal is responsible for strategic investment, management of funds, expansion, getting new businesses and setting up appropriate control mechanism in the business.

GOVERNMENT AND OTHER APPROVALS

D. Certifications and Memberships

| S.No. | Nature of Certification/Issuing Authority | Registration /License No. | Issuing Authority | Date of Expiry |
|-----------------------|---|---------------------------|---|-----------------|
| Certifications | | | | |
| 1. | ISO 9001:2015 for conducting water, environmental monitoring, mines & mineral, solid fuel, oil & gas, food & agriculture and pharmaceutical - sampling, testing & inspection in compliance with national standards, international standards & validated in-house standard test methods including physical-chemical testing, heavy metals testing, pesticides & antibiotics testing, microbiological testing, stability study and coal, coke, ores & minerals inspection for its Bhubaneshwar lab | IN18818A | Integral Certification (P) Ltd. (Accredited by EGAC, A Member of International Accreditation Forum) | August 21, 2024 |
| 2. | ISO 45001:2018 for conducting water, environmental monitoring, mines & mineral, solid fuel, oil & gas, food & agriculture and pharmaceutical - sampling, testing & inspection in compliance with national standards, international standards & validated in-house standard test methods including physical-chemical testing, heavy metals testing, pesticides & antibiotics testing, microbiological testing, stability study and coal, coke, ores & minerals inspection for its Bhubaneshwar lab | IN18818C-1 | Integral Certification (P) Ltd. (Accredited by EGAC, A Member of International Accreditation Forum) | August 21, 2024 |
| 3. | ISO 14001:2015 for conducting water, environmental monitoring, mines & mineral, solid fuel, oil & gas, food & agriculture and pharmaceutical - sampling, testing & inspection in compliance with national standards, international standards & validated in-house standard test methods including physical-chemical testing, heavy metals testing, pesticides & antibiotics testing, microbiological testing, stability study and coal, coke, ores & minerals inspection for its Bhubaneshwar lab | IN18818B | Integral Certification (P) Ltd. (Accredited by EGAC, A Member of International Accreditation Forum) | August 21, 2024 |

OTHER REGULATORY AND STATUTORY DISCLOSURES

ELIGIBILITY FOR THIS ISSUE

We confirm that:

- j. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 2 financial years out of 3 latest financial years preceding the application date and its net-worth is more than Rs. 1 crore for 2 preceding full financial years.

**DRAFT PROSPECTUS**

Dated: September 04, 2023

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

Read with Section 26 of the Companies Act, 2013

Fixed Price Issue**QUALITEK LABS LIMITED**

Corporate Identity Number: U74999DL2018PLC334105

| Registered Office | Contact Person | Email and Telephone | Website |
|--|------------------|--|--|
| 73, National Park Lajpat Nagar- IV, New Delhi, South Delhi, 110024 India | Ashima Bhatnagar | Email: company.secretary@qualiteklab.com Tel No.: 0120-4336939 | www.qualiteklab.com |

PROMOTERS OF THE COMPANY

Alok Kumar Agarwal, Antaryami Nayak, Kamal Grover and TIC Services Private Limited

DETAILS OF THE ISSUE

| Type | Fresh Issue Size (In Rs. Lakhs) | Offer for sale size (By no. of shares or by amount in Rs) | Total Issue size | Eligibility |
|-------------|---------------------------------|---|------------------|---|
| Fresh Issue | ₹ 1,964.40 Lakhs | NIL | ₹ 1,964.40 Lakhs | This Issue is being made in terms of Chapter IX of SEBI (ICDR) Regulation, 2018 as amended. |

DETAILS OF OFFER FOR SALE BY THE PROMOTER, PROMOTER GROUP AND OTHER SELLING SHAREHOLDERS AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES – NOT APPLICABLE [AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES]

RISK IN RELATION TO THE FIRST ISSUE

The Face value of the Equity Shares is Rs. 10/- and Issue Price determined by our Company in consultation with the Lead Manager, as stated under “Basis for Issue Price” on page 113 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 RISK

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 this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 30.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Draft 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 (“BSE”)

LEAD MANAGER

| Name and Logo | Contact Person | Email and Telephone |
|---|-----------------|---|
| ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED | Ms. Alka Mishra | Tel: +91- 22- 43472247 Email: mbd@oneviewadvisors.com |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | Email and Telephone |
|---|----------------|--|
| Skyline Financial Services Pvt. Ltd | Mr. Anuj Rana | Tel: 011-40450193-197 Email: ipo@skylinerta.com |

ISSUE PROGRAMME

| | |
|-----------------|-----|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |

**QUALITEK LABS LIMITED**

| | |
|---|---|
| Our Company was originally incorporated as a Private Limited Company in the name of "Qualitek Labs Private limited" under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated May 17, 2018, issued by Registrar of Companies, Delhi bearing Corporate Identification Number U74999DL2018PLC334105. The registered office of our company is situated at 73, National Park Lajpat Nagar- IV New Delhi, South Delhi 110024 India. For details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled " Our History and Certain Other Corporate Matters " beginning on page 151 of this Draft Prospectus. | |
| Registered Office: 73, National Park Lajpat Nagar- IV New Delhi, South Delhi, 110024 India Tel No.: 011-41729056/57 Email: info@qualiteklab.com Website: www.qualiteklab.com | Corporate Office: C-40, near Nexa showroom, Block C, Sector 57, Noida, Uttar Pradesh 201301 Tel No.: 0120 4336939 Email: company.secretary@qualiteklab.com Contact Person: Ashima Bhatnagar |
| Promoters of the Company: Alok Kumar Agarwal, Antaryami Nayak, Kamal Grover and TIC Services Private Limited | |

THE ISSUE

INITIAL PUBLIC ISSUE OF 19,64,400 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("**EQUITY SHARES**") OF QUALITEK LABS LIMITED ("**OUR COMPANY**" OR "**THE ISSUER COMPANY**") FOR CASH AT A PRICE RS. 100/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 90/- PER EQUITY SHARE) ("**ISSUE PRICE**") AGGREGATING TO RS. 1,964.40 LAKHS ("**THE ISSUE**"), OUT OF WHICH 99,600 EQUITY SHARES OF RS. 100/- PER EQUITY SHARE, WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("**MARKET MAKER RESERVATION PORTION**"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 18,64,800 EQUITY SHARES AT AN ISSUE PRICE OF RS. 100/- PER EQUITY SHARE AGGREGATING TO RS. 1864.80 LAKHS (IS HEREINAFTER REFERRED TO AS THE "**NET ISSUE**"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.65% AND 25.30% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "**TERMS OF THE ISSUE**" BEGINNING ON PAGE NO. 292 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE OF RS. 100/- IS 10 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "**SEBI ICDR REGULATIONS**"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 ("**SCRR**"), AS AMENDED, THE ISSUE HAS BEEN MADE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "**ISSUE PROCEDURE**" ON PAGE 304 OF THE DRAFT PROSPECTUS.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("**ASBA**") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RILs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same.

RISK IN RELATION TO THE FIRST ISSUE

The Face value of the Equity Shares is Rs. 10/- and Issue Price determined by our Company in consultation with the Lead Manager, as stated under "**Basis for Issue Price**" on page 113 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 RISK

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 this Draft Prospectus. Specific attention of the investors is invited to "**Risk Factors**" on page 30.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("**BSE SME**"), in terms of the Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time. Our Company has received In-Principal approval letter dated [●] from BSE for using its name in the Issue document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange. A signed copy of the Draft Prospectus and the Prospectus shall be delivered to the ROC in accordance with Sections 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "**Material Contracts and Documents for Inspection**" on page 366 of this Draft Prospectus.

LEAD MANAGER

Oneview Corporate Advisors Private Limited
Address: Bajaj Bhawan, Room No. 111, 11th Floor, Nariman Point, Mumbai -400021
Tel: +91- 22- 43472247
Email: mbd@oneviewadvisors.com
Website: www.oneviewadvisors.com
Contact Person: Ms. Alka Mishra
SEBI Registration No: INM000011930

REGISTRAR TO THE ISSUE

Skyline Financial Services Pvt. Ltd.
Address: D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Tel: 011-40450193-197
Fax: 011 -26812683
Website: www.skylinerta.com
Email: ipo@skylinerta.com
Investor Grievance ID: grievances@skylinerta.com
Contact Person: Mr. Anuj Rana
SEBI Registration Number: INR000003241

ISSUE PROGRAMME

| | |
|------------------------|-----|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |

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SECTION I – GENERAL DEFINITION AND ABBREVIATION

In this Draft Prospectus, unless the context requires, the terms and abbreviations stated hereunder shall have the same meanings as assigned therewith.

GENERAL TERMS

| Term | Description |
|--|---|
| “QUALITEK LABS LIMITED”, or “the Company” or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company” | Unless the context otherwise requires, refers to Qualitek Labs Limited, a Public Limited company incorporated under the provisions of the Companies Act, 2013 and having Registered Office at 73 National Park Lajpat Nagar IV, New Delhi, South Delhi, Delhi 110024 India. |
| “We”, “us” or “our” or “Group” | Unless the context otherwise indicates or implies, refers to our Company. |

COMPANY RELATED TERMS

| Term | Description |
|---|---|
| Articles or Articles of Association or AOA | The Articles of Association of our Company, as amended from time to time. |
| Audit Committee | The Committee of the Board of Directors constituted on May 09, 2023 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013. For details, please refer to the section titled “ Our Management ” on page 156 of this Draft Prospectus. |
| Auditor or Statutory Auditor or Peer Review Auditor | The Statutory Auditors of our Company being J. Madan & Associates, Chartered Accountants holds a valid peer review certificate dated October 07, 2022. |
| Banker to the Company | Such banks which are disclosed as Bankers to the Company in the chapter titled “ General Information ” on page 72 of this Draft Prospectus. |
| “Board” or “Board of Directors” or “Our Board” | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof. |
| Chairman / Chairperson | The Chairman of Board of Directors of our Company. |
| Chief Financial Officer (CFO) | The Chief Financial Officer of our Company being, Navneet Gupta. |
| CIN | Corporate Identification Number of our Company: U74999DL2018PLC334105. |

| | |
|---|--|
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company being, Ashima Bhatnagar. |
| Corporate Social Responsibility Committee | The committee of the Board of Directors constituted on May 09, 2023 as our Company's Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder. For details, please refer to the section titled "Our Management" on page 156 of this Draft Prospectus. |
| Director(s) | The Director(s) of our Company, unless otherwise specified. |
| Equity Shares | Equity Shares of our Company of face value of Rs. 10/- each fully paid up. |
| Equity Shareholders | Persons/ entities holding Equity Shares of our Company. |
| Executive Director | An executive director of our company. |
| Group Companies | The group companies of our Company identified in terms of Regulation 2(1)(t) of the SEBI ICDR Regulations, including companies (other than the Corporate Promoter and the Subsidiaries) with which there were related party transactions as disclosed in the Financial Statements as Restated as covered under the applicable accounting standards, and any other companies as considered material by the Board, in accordance with the resolution dated August 21, 2023, passed by the Board, such Companies as are included in the chapter titled "Our Group Companies" beginning on page no. 181 of this Draft Prospectus. |
| Independent Directors | Non – executive, Independent Director as per Companies Act, 2013 and SEBI Listing Regulations as identified in the chapter titled "Our Management" on page no. 156 of this Draft Prospectus. |
| ISIN | International Securities Identification Number, in this case being INEQ1R01012. |
| Key Managerial Personnel/KMP | Key Managerial Personnel of our Company in terms of Regulation of 2(1) (bb) of SEBI (ICDR) Regulations, 2018 and Section 2(51) of the Companies Act, 2013 and as identified in the chapter titled "Our Management" on page no. 156 of this Draft Prospectus. |
| Managing Director | The Managing Director of our Company being, Antaryami Nayak. For details, please refer to the section titled "Our Management" on page 156 of this Draft Prospectus. |

| | |
|--|---|
| Materiality Policy | The materiality policy of our Company adopted pursuant to a resolution of our Board dated August 21, 2023 for the identification of material outstanding litigation proceedings in each case involving our Company, our Promoters, our Directors or our Subsidiaries, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 in this Draft Prospectus. |
| Memorandum of Association or Memorandum or MOA | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | The committee of the Board of Directors constituted on May 09, 2023 as our Company's Nomination and Remuneration Committee in accordance with Section 178 (1) of the Companies Act, 2013 and rules made thereunder. For details, please refer to the section titled " Our Management " on page 156 of this Draft Prospectus. |
| Non-Executive Directors | Non-executive Directors on our Board. For details, please refer to the section titled " Our Management " on page 156 of this Draft Prospectus. |
| "Promoter", "Promoters" or "Our Promoters" | Promoters of our Company being, Mr. Alok Kumar Agarwal, Kamal Grover, Antaryami Nayak and TIC Services Private Limited. For details, please refer to the section titled " Our Promoters and Promoter Group " on page 174 of this Draft Prospectus. |
| Promoter Group | Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI Regulations and as disclosed in the chapter titled " Our Promoters and Promoter Group " on page no. 174 of this Draft Prospectus. |
| Registered Office | 73 National Park Lajpat Nagar IV, New Delhi, South Delhi, Delhi 110024 India. |
| Restated Consolidated Financial Statements | The consolidated financial statement as restated of our Company for the financial year ended on March 31, 2022 and March 31, 2023 comprises the restated summary statement of assets & liabilities, the restated statement of profit and loss and restated summary of cash flows along with all the schedules and notes thereto and included in " Financial Statements as Restated " on page 187 of this Draft Prospectus. |
| Restated Standalone Financial Statements | The standalone financial statement as restated of our Company for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 comprises the restated summary statement of assets & liabilities, the restated statement of profit and loss and restated summary of cash flows along with all the schedules and notes thereto and included in " Financial Statements as |

| | |
|-------------------------------------|---|
| | Restated on page 187 of this Draft Prospectus. |
| Corporate Office | C-40, near Nexa showroom, Block C, Sector 57, Noida, Uttar Pradesh 201301. |
| Registrar of Companies/ RoC/ROC | Delhi. |
| Shareholders | Shareholders of our company. |
| SME Exchange | Unless the context otherwise requires, refer to the SME Platform of BSE. |
| Stakeholders Relationship Committee | The committee of the Board of Directors constituted on May 09, 2023 as our Company's Stakeholders Relationship Committee in accordance with Section 178 (5) of the Companies Act, 2013 and rules made thereunder. For details, please refer to the section titled "Our Management" on page 156 of this Draft Prospectus. |
| Subsidiaries | Companies or body corporate constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act, in our case there is no subsidiary of our company. |
| Whole-Time Director | Whole-time Directors/ executive Directors on our Board. For details of the Whole-time Directors. For details, please refer to the section titled "Our Management" on page 156 of this Draft Prospectus. |
| Willful Defaulter(s) | Willful defaulter as defined under Regulation 2(1) (III) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| "you", "your" and "yours" | Prospective investors in the Issue. |

ISSUE RELATED TERMS

| Term | Description |
|---|--|
| Allocation /Allocation of Equity Shares | The Allocation of Equity Shares of our Company pursuant to this Issue of Equity Shares to the successful Applicants. |
| Allotment /Allot/Allotted/ Allotment of Equity Shares | Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares pursuant to the issue to the successful Applicants. |
| Allottee(s) | Successful Applicant to whom Equity Shares have been allotted. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Applicant(s) | Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus. |

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| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus. |
| Application Collecting Intermediary | An SCSB, with whom the bank account to be blocked, is maintained, a syndicate member (or sub-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') (and whose name is mentioned on the website of the stock exchange as eligible for this activity), a registrar to an issue and share transfer agent ('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity). |
| Application Form | The form in terms of which the prospective Applicants shall apply for the Equity Shares of our Company. |
| ASBA / Application Supported by Blocked Amount | The application (whether physical or electronic) by ASBA Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account maintained with the SCSB and will include amounts blocked by RIIs using UPI Mechanism. |
| ASBA Account | Account maintained by an ASBA Applicants with an SCSB which will be blocked by such SCSB to the extent of the Application Amount. |
| ASBA Applicant(s) | Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form. |
| ASBA Application | An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus. |
| Banker(s) to the Issue/ Refund Banker | [•] |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled " <i>Issue Procedure</i> " beginning on page 304 of this Draft Prospectus. |
| Broker Centres | Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application forms to a Registered Broker. the details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE- www.bseindia.com |
| BSE SME | SME Platform of BSE Limited. |

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| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange. |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collecting /Collection Centers | Centers at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Collecting Depository Participant or(CDP) | A depository participant as defined under the Depositories Act 1996, registered with SEBI and who is eligible to procure applications at the Designated CDP Locations in terms with circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Designated Branches | Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their Name, address, PAN, occupation, applicant status and bank account details and UPI ID wherever as applicable. |
| Depository/ Depositories | Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depository Participant/ DP | A Depository Participant as defined under the Depositories Act, 1996 as amended from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange https://www.bseindia.com/www.nseindia.com and updated from time to time. |
| Designated Date | The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus. |

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| Designated Intermediary(ies)/Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity). |
| Designated Market Maker/ Market Maker | In our case, [●]. |
| Designated RTA Locations | Such locations of the RTAs where Applicant scan 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 www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | BSE Limited (“BSE”). |
| Draft Prospectus | The Draft Prospectus dated September 04, 2023 issued in accordance with section 26 of the Companies Act, 2013 and filed with the BSE under SEBI(ICDR) Regulation, 2018 as amended from time to time. |
| Eligible NRIs | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Reconstitutes an invitation to subscribe to the Equity Shares issued herein. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible QFI | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who have opened dematerialized accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations. |
| First / Sole Applicant | Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applications, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |

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| Foreign Portfolio Investor/ FPIs | Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. |
| General Information Document/GID | The General Information Document for investing in public issues prepared and issued by SEBI in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Lead Manager. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| Issue/Issue size/Initial Public Offer/ Initial Public Issue/Initial Public Offering/IPO | The Issue of up to 19,64,400 Equity Shares for cash at a price of ₹ 100 per Equity Share (including a premium of ₹ 90 per Equity Share) aggregating to ₹ 1,964.40 Lakhs. |
| Issue Agreement | The agreement dated May 02, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Period | The Issue period shall be [●], being the Issue Opening Date, to [●], being the Issue Closing Date. |
| Issue Closing Date | [●], The Date on which Issue closes for subscription. |
| Issue Opening Date | [●], The Date on which Issue opens for subscription. |
| Issue Price | The price at which Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 100/- per Equity Share. |
| Issue Proceeds | The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see <i>“Objects of the Issue”</i> beginning on page 99 of this Draft Prospectus. |
| LM/ Lead Manager | Lead Manager to the Issue, in this case being Oneview Corporate Advisors Private Limited, SEBI Registered Category I Merchant Bankers. |
| Lot Size | The Market Lot and Trading lot for the Equity Share is 1200 and in multiples of 1200 thereafter; subject to a minimum allotment of 1200 share to the successful applicants. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being [●] who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time. |
| Market Making Agreement | Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker. |

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| Market Maker Reservation Portion | The Reserved Portion of 99,600 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 100 per Equity Share aggregating to Rs. 99.60 Lakhs for the Market Maker in this Issue |
| 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=43 or such other website as may be updated from time to time, which may be used by RIBs to submit Applications using the UPI Mechanism. |
| Mutual Fund(s) | A Mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| National Payments Corporations of India (NPCI) | NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Bank Association (IBA). |
| National Investment Fund or NIF | National Investment Fund set up by resolution F. No. 2/3/2005 – DD – II dated November 23, 2005 of Government of India published in the Gazette of India. |
| Net Issue | The Issue less the Market Maker Reservation Portion of 1,864,800 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 100 per Equity Share aggregating Rs. 18,64,80,000/- by our Company. |
| Net Proceeds | Proceeds from the Fresh Issue after deduction of Issue expense. |
| Non – Institutional Investors/ NII's | All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors, who have applied for Equity Shares for an amount of more than Rs. 2,00,000/- but not including NRIs, other than Eligible NRIs. |
| Non – Resident / NRI | A person resident outside India, as defined under FEMA regulations. |
| 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. |
| Person / Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |

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| Prospectus | The Prospectus to be filled with RoC in accordance with Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018 containing, inter – alia, the Issue opening and closing dates and other information. |
| 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 SCSBs from the Bank Accounts of the ASBA Applicants on the Designated date. |
| Qualified Institutional Buyers or QIBs | Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations 2018. |
| Refund Bank(s) | 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 [●] Bank Limited. |
| Registered Broker(s) | Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals. |
| Registrar Agreement | The agreement dated August 09, 2023 entered into by and between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Registrar and Share Transfer Agents or RTAs | Register 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. |
| Register/ Registrar to the Issue | Registrar to the Issue, in this case being M/s. Skyline Financial Services Pvt. Ltd. having registered office at Office No. D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 India. |
| Retail Individual Applicants/ RIBs/Retail Individual Investors/ RIIs | Individual Applicants, or minors applying through their natural guardians (including HUFs applying through their Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than or equal to Rs. 2,00,000/-. |
| Revision Form/s | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s). |
| Reservation Portion | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018. |
| Reserved Category/ Categories | Categories of persons eligible for making applications under reservation portion. |
| Resident Indian | A person resident in India, as defined under FEMA. |

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| SEBI (Foreign Portfolio Investor) Regulations | Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014. |
| SCSB/ Self Certified Syndicate Banks | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in and updated from time to time and at such other websites as may be prescribed by SEBI from time to time. |
| SCSB Agreement | The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account. |
| SME Platform of BSE/ SME Exchange/ Stock Exchange/ BSE SME | The SME Platform of BSE, as approved by SEBI Exchange for listing of Equity Shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange. |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI www.sebi.gov.in and updated from time to time. |
| Sponsor Bank(s) | A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RILs as per the UPI Mechanism, in this case being [●] Bank Limited. |
| Syndicate or Members of the Syndicate | Includes the LM, Syndicate Members and Sub Syndicate Members. |
| Syndicate Members | Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter. |
| Systematically Important Non – Banking Financial Company | Systematically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| Transaction Registration Slip/ TRS | The slip or document issued by a member of the Syndicate or SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the Application. |
| Underwriter to the Issue | [●] |
| Underwriting Agreement | The agreement dated [●] entered into between the Underwriter & our Company. |
| Unified Payments Interface (UPI) | UPI is an instant payment system developed by the NPCI. |

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| UPI ID | ID created on Unified Payment Interface (UPI) for single – window mobile payment system developed by the National Payment Corporation of India (NPCI). |
| UPI Circulars | The SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard. |
| UPI Mandate Request/ MandateRequest | A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. |
| UPI PIN | Password to authenticate UPI transaction. |
| Wilful Defaulter | Wilful defaulter as defined under Regulation 2 (1) (III) of the SEBI ICDR Regulations, 2018. |
| Working Day(s) | In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Draft Prospectus are open for business. 1. However, till Application/ Issue closing date: All days other than 2 nd and 4 th Saturday of the month, Sunday or public holiday; 2. Post Application/ Issue closing date and till the Listing of Equity Shares: Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays (in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016). |

TECHNICAL AND INDUSTRY RELATED TERMS

| Term | Description |
|-----------------|--|
| CCI | Competition Commission Of India. |
| Competition Act | The Competition Act, 2002. |
| DPIIT | Department For Promotion Of Industry And Internal Trade. |
| ERP | Enterprise resource planning. |
| HIV | Human immunodeficiency virus. |
| ISO | International Organization for Standardization. |
| LIMS | Laboratory information management system. |
| TIC | Testing, Inspection, and Certification |
| NABL | National Accreditation Board of Laboratories. |

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

| TERMS | DESCRIPTION |
|---------------------|---|
| Rs./Rs. /Rupees/INR | Indian Rupees. |
| A/c | Account. |
| AGM | Annual General Meeting. |
| AIF | Alternative Investments Fund. |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India. |
| AoA | Articles of Association. |
| ASBA | Application Supported by Blocked Amount. |
| AY | Assessment Year. |
| BIFR | Board for Industrial and Financial Reconstruction. |
| Bn | Billion. |
| CAGR | Compound Annual Growth Rate. |
| CAPEX | Capital Expenditure. |
| CEO | Chief Executive Officer. |
| CC | Cash Credit. |
| CDSL | Central Depository Services (India) Limited. |
| CENVAT | Central Value Added Tax. |
| CFO | Chief Financial Officer. |
| CIN | Corporate Identification Number. |
| Contract Act | The Indian Contract Act, 1872 as amended from time to time. |
| Companies Act, 1956 | 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. |
| Companies Act, 2013 | The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections. |

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| COVID-19 | Coronavirus disease 2019. |
| CSR | Corporate Social Responsibility. |
| Depositories | NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DGFT | Director General for Foreign Trade. |
| DIN | Director Identification Number. |
| DP | Depository Participant. |
| DP ID | Depository Participant's Identity. |
| DB | Designated Branch. |
| EBITDA | Earnings before interest, depreciation, tax, amortization and extraordinary items. |
| ECS | Electronic Clearing Services. |
| EGM | Extraordinary General Meeting. |
| ESIC | Employee State Insurance Corporation. |
| ESOP | Employee Stock Ownership Plan. |
| ESPS | Employee Stock Purchase Scheme. |
| EPS | Earnings Per Share. |
| FDI | Foreign Direct Investment. |
| FCNR Account | Foreign Currency Non-Resident Account. |
| FEMA | Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under. |
| FII(s) | Foreign Institutional Investors, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2014, as amended from time to time and registered with the SEBI under applicable laws in India. |
| FPI(s) | Foreign Portfolio Investor as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India. |
| FTP | Foreign Trade Policy, 2009. |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000. |
| FV | Face Value. |
| F.Y. / Fiscal/ Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated. |
| GAAP | Generally Accepted Accounting Principles. |
| GDP | Gross Domestic Product. |
| GST | Good and Services Tax Act, 2017. |
| GIR Number | General Index Registry number. |

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| Gol/ Government | Government of India. |
| HNI | High Net-worth Individual. |
| HR | Human Resources. |
| HUF | Hindu Undivided Family. |
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| ICAI | Institute of Chartered Accountants of India. |
| ICSI | Institute of Company Secretary of India. |
| IFSC | Indian Financial System Code. |
| IMPS | Immediate Payment Service. |
| IPO | Initial Public Offering. |
| IPR | Intellectual Property Rights. |
| IRDA | Insurance Regulatory and Development Authority. |
| IT Act | Income Tax Act, 1961, as amended from time to time. |
| INR/ Rs./ Rupees | Indian Rupees, the legal currency of the Republic of India. |
| IT Rules | The Income Tax Rules, 1962, as amended from time to time. |
| KPI | Key Performance Indicator. |
| JV | Joint Ventures. |
| Key Managerial Personnel / KMP | Key Managerial Personnel. |
| LM | Lead Manager. |
| Lac | Lakh. |
| Ltd. | Limited. |
| MD | Managing Director. |
| Million / Mn | One Million. |
| Mkt. | Market. |
| MoA | Memorandum of Association. |
| MoF | Ministry of Finance, Government of India. |
| MOU | Memorandum of Understanding. |
| N/A or N.A. | Not Applicable. |
| NAV | Net Asset Value. |
| NBFC | Non-Banking Finance Company. |
| NECS | National Electronic Clearing Services. |
| NEFT | National Electronic Fund Transfer. |
| NOC | No Objection Certificate. |
| No. | Number. |
| NPCI | National Payments Corporation of India. |
| NPV | Net Present Value. |
| NR | Non – Resident. |
| NRE Account | Non-Resident External Account. |
| NRI | Non-Resident Indians. |

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| NRO Account | Non-Resident Ordinary Account. |
| NSDL | National Securities Depository Limited. |
| NTA | Net Tangible Asset. |
| NI Act | Negotiable Instrument Act, 1881. |
| OCB | Overseas Corporate Bodies. |
| OCI | Overseas Citizen of India. |
| p. a. | Per annum. |
| P/E Ratio | Price/ Earnings Ratio. |
| PAN | Permanent Account Number. |
| PAT | Profit After Tax. |
| PBT | Profit Before Tax. |
| POA | Power of Attorney. |
| Pvt. | Private. |
| Pvt. Ltd. | Private Limited. |
| QIB | Qualified Institutional Buyer. |
| QFI | Qualified Foreign Investors. |
| RBI | Reserve Bank of India. |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time. |
| R & D | Research and Development. |
| RoC | Registrar of Companies. |
| ROE | Return on Equity. |
| 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 Bank. |
| SEBI | Securities and Exchange Board of India. |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| Sec. | Section. |
| Securities Act | The U.S. Securities Act as amended from time to time. |
| SEZ | Special Economic Zone. |
| SME | Small-Medium Enterprise. |
| Stock Exchange(s) | SME Platform of BSE Limited. |
| Sq. | Square. |
| Sq. mtr | Square Meter. |
| TAN | Tax Deduction and Collection Account Number. |
| TRS | Transaction Registration Slip. |

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| TIN | Tax Identification Number. |
| u/s | Under Section. |
| UIN | Unique Identification Number. |
| UPI | Unified Payment Interface. |
| US/ United States | United States of America. |
| USD/ US\$/ \$ | United States Dollar. |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States |
| | of America. |
| UOI | Union of India. |
| VAT | Value Added Tax. |
| WTD | Whole – Time Director. |
| w.e.f | With effect from. |

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

All references in this Draft Prospectus to "India" are to the Republic of India.

In this Draft Prospectus, the terms "we", "us", "our", "the Company", "Our Company", "Qualitek Labs", "Qualitek Labs Private Limited", unless the context otherwise indicates or implies, refers to Qualitek Labs Limited.

PAGE NUMBERS

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the Restated Standalone Financial Statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, AS and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled "**Financial Statements as Restated**" beginning on page 187. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI ICDR Regulations.

Our fiscal year commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12-month period ending March 31st of that year. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between AS, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, the extent to which the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices/ AS. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management Discussion and Analysis of Financial Condition and Result of Operations**" and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company's Restated Standalone Financial Statements prepared in accordance with the applicable provisions of the Companies Act, AS and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled "**Financial Statements as Restated**" beginning on page 187.

CURRENCY AND UNITS OF PRESENTATION

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

- ‘Rupees’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India
- All references to the word “Lakh/Lakhs or Lac” mean “One Hundred Thousand”, the word “Crore/Crores” means “Hundred Lakhs”, the word “Million (million) or Mn” means “Ten Lakhs”, the word “Crores” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crores”.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained or derived from publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “**forward-looking statements**”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- I. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- II. Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- III. Changes in laws and regulations relating to the sectors / areas in which we operate;
- IV. Increased competition in the industry which we operate;
- V. Factors affecting the industry in which we operate;
- VI. Our ability to meet our capital expenditure requirements;
- VII. Fluctuations in operating costs;
- VIII. Our ability to attract and retain qualified personnel;
- IX. Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- X. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- XI. The performance of the financial markets in India and globally;
- XII. Any adverse outcome in the legal proceedings in which we are involved;
- XIII. Our failure to keep pace with rapid changes in technology;
- XIV. The occurrence of natural disasters or calamities;
- XV. Other factors beyond our control;
- XVI. Our ability to manage risks that arise from these factors;
- XVII. Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “**Risk Factors**” and chapter titled “**Management Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 30 and 252 respectively.

Future looking statements speak only as of the date of this Draft Prospectus. Neither we, our Directors,

Lead Manager, Underwriters 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, the Lead Manager and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange(s).

SECTION II – SUMMARY OF THE ISSUE DOCUMENT

The following is a general summary of the terms of the issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled “Risk Factors”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Our Promoters and Promoter Group”, “Financial Statements as Restated” “Objects of the Issue”, “Our Business”, “Issue Procedure” and “Main Provisions of Articles of Association” on page 30, 123, 265,174,187, 99, 132,304 and 347 respectively of this Draft Prospectus.

OVERVIEW OF BUSINESS

Our Company is primarily engaged in the business of provides testing, inspection, homologation, certification and consultancy services to various industries viz the automotive, defence, minerals & metals, environment and food.

For details, please refer “**Our Business**” on page 132 of this Draft Prospectus.

OVERVIEW OF INDUSTRY

The Indian testing, inspection, and certification (TIC) market size was valued at USD 26 million in 2021 and is projected to reach USD 47 million by 2030, registering a CAGR of 6.9% during the forecast period (2022-2030).

Highlights:

- a. Testing dominates the market by service sourcing type.
- b. Infrastructure dominates the market by application.
- c. The in-house segment dominates by sourcing type.

India's testing, inspection, and certification (TIC) market is a quickly expanding industry offering services to several sectors, including manufacturing, the automobile, aerospace, medical, food and beverage.

The government's emphasis on quality and safety requirements, the rising need for certification services, and the expansion of the manufacturing and automotive industries are some of the main factors driving the TIC market in India. The implementation of numerous rules and guidelines by the Indian government, including BIS, FSSAI, and BEE, has raised the demand for testing and certification services.

For details, please refer “**Industry Overview**” on page 123 of this Draft Prospectus.

NAME OF PROMOTERS

The Promoters of our Company are **Mr. Alok Kumar Agarwal, Mr. Antaryami Nayak, Mr. Kamal Grover and TIC Services Private Limited**. For detailed information please refer to Chapter titled “**Our Promoters and Promoter Group**” on page 174 of this Draft Prospectus.

SIZE OF THE ISSUE

The following table summarizes the details of the Issue. For further details, see “**The Issue**” and “**Issue Structure**” on pages 64 and 300, respectively.

| | |
|--------------------------------|--|
| Issue | The Issue of up to 19,64,400 Equity Shares for cash at a price of ₹ 100 per Equity Share (including a premium of ₹ 90 per Equity Share) aggregating to ₹ 1,964.40Lakhs |
| of which | |
| (i) Fresh Issue ⁽¹⁾ | Up to 19,64,400 Equity Shares aggregating up to ₹ 19,64,40,000 |
| (ii) Offer for Sale | NIL |

⁽¹⁾ The Issue has been authorized by a resolution of our Board dated **April 29, 2023** and by the Shareholder of our Company, vide a special resolution passed pursuant to the Companies Act, 2013 at the Extra Ordinary General Meeting held on **May 02, 2023**.

The Issue will constitute 26.65% of the post Issue paid up Equity Share capital of our Company.

OBJECTS OF THE ISSUE

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

(Rs. in Lakhs)

| Sr. No. | Purpose | Net Proceeds |
|---------|---|----------------|
| 1. | Funding capital expenditure towards installation of plant and machinery for existing laboratories and for expansion of laboratories | 622.38 |
| 2. | Repayment of unsecured loan to Promoter | 818.16 |
| 3. | Funding of working capital requirements | 250.00 |
| 4. | General corporate purposes* | 140.64 |
| | Total | 1831.18 |

* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP

Our Promoter and Promoter Group members are collectively holding 54,07,498 Equity Shares of our Company aggregating to 99.99 % of the pre-Issue paid-up share capital of our Company. Following are the details of shareholding of Promoter and Promoter Group members:

| Sr. No. | Name of the Shareholder | No. of Equity Shares (Pre-Issue) | As a % of Pre – Issue Share Capital |
|-----------|---------------------------------|----------------------------------|-------------------------------------|
| A. | Promoter | | |
| 1) | TIC Services Private Limited | 54,07,494 | 99.99 |
| 2) | Alok Kumar Agarwal [#] | 01 | Negligible |

| | | | |
|-----------|------------------------------|------------------|-------------------|
| 3) | Antaryami Nayak [#] | 01 | Negligible |
| 4) | Kamal Grover [#] | 01 | Negligible |
| | Sub Total (A) | 54,07,497 | 99.99 |
| B. | Promoter Group | | |
| 1) | Anju Agarwal [#] | 01 | Negligible |
| | Sub Total (B) | 01 | Negligible |
| | Total | 54,07,498 | 99.99 |

[#] Equity Shares held in the capacity of nominee shareholder of our Promoter, for which our Promoter TIC Services Private Limited is the beneficial owner.

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

For further details, see the chapter titled **“Capital Structure”** beginning on page 84 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following information has been derived from our Restated Standalone Financial Statements for the last three financial years:

(Rs. in lakh except per share data)

| Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Equity Share capital | 540.75 | 46.00 | 1.00 |
| Net Worth ⁽³⁾ | 986.52 | 189.61 | (22.96) |
| Revenue from operations ⁽²⁾ | 1,913.66 | 1,196.57 | 635.49 |
| Profit / (Loss) After Tax | 296.91 | 113.57 | 46.11 |
| Basic earnings per Share | 7.45 | 7.97 | 65.87 |
| Diluted earnings per Share | 7.45 | 7.97 | 65.87 |
| Net Asset Value per Equity Share | 24.74 | 13.31 | (32.80) |
| Total Borrowings ⁽¹⁾ | 2344.67 | 1728.68 | 1121.82 |

⁽¹⁾ Total borrowings include both long term and short-term borrowings.

⁽²⁾ Excluding other income.

⁽³⁾ Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves.

For further details, see the chapter titled **“Financial Statements as Restated”** beginning on page 177 of this Draft Prospectus.

AUDITORS QUALIFICATIONS

There are no Auditor qualifications which have not been given effect to in the Financial Statements as Restated except as stated in the chapter titled **“Financial Statements as Restated”** beginning on page 177 of this Draft Prospectus.

SUMMARY OF OUTSTANDING LITIGATION

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

| Type of Proceedings | Number of cases | Amount (in Rs.) |
|---|-----------------|------------------|
| Cases against our Company | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation | NIL | NIL |
| Tax proceedings | 02 | 2,590 |
| Total | 02 | 2,590 |
| Cases by our Company | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Outstanding material civil litigation ** | NIL | NIL |
| Tax proceedings | NIL | NIL |
| Total | NIL | NIL |
| Cases against our Promoters | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation ** | NIL | NIL |
| Tax proceedings | 06 | 2,11,323 |
| Total | 06 | 2,11,323 |
| Cases by our Promoters | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Outstanding material civil litigation ** | 02 | Non-identifiable |
| Tax proceedings | NIL | NIL |
| Total | 02 | Non-identifiable |
| Cases against our Directors (Other than Promoters) | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation ** | NIL | NIL |
| Tax proceedings | NIL | NIL |
| Total | NIL | NIL |
| Cases by our Directors (Other than Promoters) | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Outstanding material civil litigation ** | NIL | NIL |
| Tax proceedings | NIL | NIL |
| Total | NIL | NIL |
| Cases against our Group Companies | | |

| | | |
|--|-----------|---------------------|
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation | 01 | Non-identifiable |
| Tax proceedings | 12 | 25,21,689.30 |
| Total | 13 | 25,21,689.30 |
| Cases by our Group Companies | | |
| Outstanding Criminal proceedings | 01 | 13,34,824 |
| Outstanding material Civil litigation | 02 | Non-identifiable |
| Tax proceedings | NIL | NIL |
| Total | 03 | 13,34,824 |

** Based on Materiality Policy

For detailed information please refer page 265 of this Draft Prospectus under Chapter titled **“Outstanding Litigation and Material Developments”**.

RISK FACTORS

Investors should see **“Risk Factors”** on page 30 of this Draft Prospectus to have an informed view before making an investment decision.

CONTINGENT LIABILITIES

Details of the contingent liabilities of our Company for the Financial Year ended on March 31, 2023, 2022 and 2021 derived from the Restated Standalone Financial Statements are set forth below:

(Amount in Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Claims against the company not acknowledged as debt | - | - | - |
| Guarantees excluding financial guarantees | - | - | - |
| Other money for which the company is contingently liable | - | - | - |
| Total | - | - | - |

For detailed information on the Contingent Liabilities on our Company, please refer **“Financial Statements as Restated – Contingent Liabilities and Commitments”** beginning on page 177 of this Draft Prospectus.

RELATED PARTY TRANSACTIONS

The details of related party transaction during the FY 2022-23, 2021-22 and 2020-21 based on Restated Standalone Financial Statements are given as under:

(Rs. in Lakhs)

| Name of Party | Nature of Transaction during the year | 31 st March, 2023 | 31 st March, 2022 | 31 st March, 2021 |
|--|---------------------------------------|------------------------------|------------------------------|------------------------------|
| Mr. Kamal Grover | Reimbursement of expenses | 6.77 | 9.93 | - |
| | Loan taken | 13.05 | 6.50 | 1.94 |
| | Loan repaid | 13.49 | 6.50 | 1.50 |
| | Advance given | - | 11.59 | 2.00 |
| | Advance repaid | 10.09 | 1.50 | 2.00 |
| Mr. Antaryami Nayak | Loan Repaid | - | - | 2.55 |
| | Advance given | - | 31.00 | - |
| | Advance repaid | 20.00 | 4.50 | - |
| | Investment sold | 0.35 | - | - |
| Mr. Alok Kumar Agarwal | Investment sold | 0.35 | - | - |
| TIC Services Private Limited | Loan taken | 850.71 | 914.18 | 443.68 |
| | Loan repaid | 852.05 | 888.29 | 32.50 |
| ASC Consulting Private Limited | Loan taken | 20.00 | - | - |
| | Loan repaid | - | - | - |
| | Professional Expense | 0.01 | 0.08 | - |
| Quality & Testing Infosolution Private Limited | Advance given | 26.11 | 99.21 | 27.45 |
| | Payment received against Loan | 149.17 | 3.10 | 0.50 |
| | Software Development fees | 1.96 | 0.09 | - |
| | Purchase of Software | 3.20 | - | - |
| | Investment sold | 0.70 | - | - |
| ASC Financial Services Private Limited | Professional expense | - | 6.21 | - |
| A S C B S R and Company LLP | Professional expense | 5.25 | 5.50 | 3.00 |
| Interstellar Testing Centre Private Limited | Testing service income | 43.39 | 5.99 | 0.20 |
| | Testing expense | 13.84 | 6.81 | 0.03 |
| | Advance given | 14.07 | - | - |
| | Loan repaid | 12.07 | - | - |
| SKM Realcon Private Limited | Rent service | 21.60 | - | - |

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, the Directors of the Company which are promoters of the Company, the Directors of the Company and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business, of the financing entity during a period of six months immediately preceding the date of this Draft Prospectus.

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

The Promoters of our Company, Mr. Alok Kumar Agarwal, Mr. Antaryami Nayak, Mr. Kamal Grover and TIC Services Private Limited have acquired the Equity Shares of the Company during the past one year preceding the date of this Draft Prospectus are as follows:

| Name of Promoters | Number of Equity Shares | Weighted average price per Equity Share (in ₹) |
|------------------------------|-------------------------|--|
| TIC Services Private Limited | 49,47,500 | 10.11 |

AVERAGE COST OF ACQUISITION OF SHARES

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

| Name of Promoters | No. of Equity Shares held | Average Cost of Acquisition per Equity Share (in Rs.) * |
|------------------------------|---------------------------|---|
| TIC Services Private Limited | 54,07,500 | 11.10 |

Note: Pursuant to the certificate dated July 07, 2023 by our Statutory Auditor, J Madan & Associates.

** The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Draft Prospectus.*

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

Further details of the acquisition of Equity Shares of our Promoters, see **“Capital Structure – Buildup of the Equity Shareholding of our Promoters in our Company”** at page [●] of this Draft Prospectus.

PRE-IPO PLACEMENT

Our company has not placed any Pre-IPO Placement.

ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH

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

| Date of Allotment of Equity Shares | Number of Equity Shares Allotted | Issue Price per Equity Shares | Nature of allotment | Nature of consideration |
|---|---|--------------------------------------|---------------------------------|--------------------------------|
| December 01, 2022 | 46,35,000 | NIL | Bonus Issue in the ratio of 6:1 | Other than cash |

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

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

SEBI EXEMPTIONS

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

SECTION III – RISK FACTORS

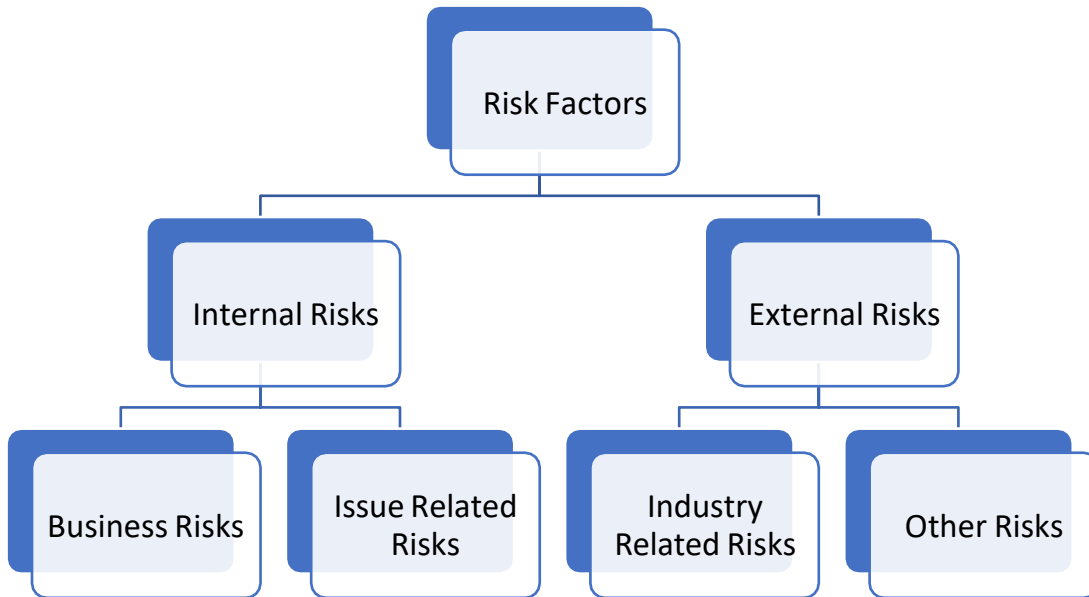
An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus and the Prospectus, when available, particularly the “Our Business”, “Industry Overview” “Financial Statements as Restated” and related notes thereon and “Management Discussions and Analysis of Financial Condition and Results of Operations” on page 132, 123, 177 and 252 respectively and the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the price of the Equity Shares could decline, and you may lose all or part of your investment.

In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the issue, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled “Industry Overview”, “Our Business”, and “Financial Statements as Restated” beginning on pages 123, 132 and 177, respectively, of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus.

This Draft Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Draft Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to “we”, “us”, “our”, “the Company” or “our Company” refers to Qualitek Labs Limited.

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



INTERNAL RISKS FACTORS

1. Business Specific/ Company specific Risk

- a) **A substantial portion of our revenues has been dependent upon a few customers, with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations, and financial condition.**

A substantial portion of our revenues has been dependent upon a few customers. Our revenue from operations from our top five customers for the FY 2022-23, 2021-22 and 2020-21 was ₹ 483.02 Lakhs, ₹ 336.57 Lakhs and ₹ 245.72 Lakhs, respectively, which represented 25.24%, 28.13% and 38.61% of our revenue from operations for the above-mentioned periods based on Restated Standalone Financial Statements.

Since we are significantly dependent on certain key customers for a significant portion of our operations, the loss of any one of our key customers for any reason (including, due to failure to negotiate acceptable terms, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements, or other work stoppages), could have an adverse effect on our business, results of operations and financial condition. While we strive to maintain good relations with our key customers, there is no assurance that our key customers will continue to avail the services from us in the future. In addition to these

external factors, these key customers may also set off any payment obligations, require indemnification for themselves or their affiliates, replace us with our competitors. Therefore, there can be no assurance that we will not lose all or a portion of services provided to these key customers, or that we will be able to offset any reduction of fees charged to these customers with reductions in our expenses or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement of our services and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

In addition, we have not entered into long-term agreements with our customers and the success of our business is accordingly significantly dependent on maintaining good relationships with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition, and cash flows.

Further, there can be no assurance that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future, all of which could have an impact on our business prospects and financial performance. Dependence on a few counterparties or states/ regions is risky for service providers in case of customer attrition, customer exits from the sector or decline in demand. Further, there are challenges in negotiating pricing and payment terms with key customers, which may have an impact on our profit margins and financial performance. We cannot assure you that we will be able to maintain historic levels of business from our key customers, or that we will be able to significantly reduce customer concentration in the future, all of which could have an impact on our business prospects and financial performance.

- b) Our Company, some of our Promoters and our Group Company is involved in certain legal proceedings. Any adverse decision in such proceedings may render us / them liable to liabilities / penalties and may adversely affect our business and results of operations.**

Our Company, Promoters Alok Kumar Agarwal, Antaryami Nayak, and our Group Company, ASC Consulting Private Limited and Interstellar Testing Centre Private Limited are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Promoters may need to make payments or make provisions for future payments, which may adversely affect our reputation.

In the ordinary course of business, Our Company, our Promoters Alok Kumar Agarwal, Antaryami Nayak and Our Group Company, ASC Consulting Private Limited and Interstellar

Testing Centre Private Limited are involved in certain legal proceedings, which are pending at varying levels of adjudication at different forums. The summary of outstanding matters set out below includes details of civil proceedings, criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Promoters and our Group companies.

Our Group company, ASC Consulting Private Limited is involved in certain legal proceedings, for which the said group company has not provided the relevant litigation documents. Therefore, the materiality of the same could not be determined.

| Sr No. | Case Number | Forum | Petitioner | Respondent |
|---------------|----------------------------|---|----------------------------|---------------------------------|
| 1. | CC/146/2017 | District Commission, South West Delhi | M/s ASC Consulting Pvt Ltd | Tata Aig General Life Insurance |
| 2. | TRAFFIC CHALLAN/74757/2022 | Chief Metropolitan Magistrate, New Delhi, Phc, New Delhi, Delhi | State | ASC Consulting Private Ltd |
| 3. | Diary Number/3119/2019 | National CompanyLaw Tribunal, New Delhi (NCLT) | ASC Consulting Pvt. Ltd | AC Logistics Pvt. Ltd. |

According to the Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory or regulatory actions, and taxation matters, is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is equal to or in excess of 10% of the Company's revenue, as per the Restated Standalone Financial Statements or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

We cannot assure that any of the legal proceedings mentioned hereinbelow will be decided in favour of the Company, Promoters and/or Group Companies respectively. Further the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally. Should any new developments arise, such as change in Indian law or rulings by appellate courts or tribunals, we the Company, the Promoters, Directors and Group Companies may add additional provisions in our respective financial statements, which may adversely affect our business, financial condition and reputation. We may incur significant expenses and time in such legal proceedings. Decision in any such proceedings, adverse to our interests may have adverse effect on our business, future financial performance and results of operations.

Decision of such proceedings which are against our interest may affect our reputation and may have material and adverse effect on our business, results of operations and financial condition.

For further details, please refer to section titled “**Outstanding Litigation and Material Developments**” beginning on page 265 of this Draft Prospectus.

| Type of Proceedings | Number of cases | Amount (in Rs.) |
|--|------------------------|------------------------|
| Cases against our Company | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation | NIL | NIL |
| Tax proceedings | 02 | 2,590 |
| Total | 02 | 2,590 |
| Cases against our Promoters | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation ** | NIL | NIL |
| Tax proceedings | 06 | 2,11,323 |
| Total | 06 | 2,11,323 |
| Cases by our Promoters | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Outstanding material civil litigation ** | 02 | Non-identifiable |
| Tax proceedings | NIL | NIL |
| Total | 02 | Non-identifiable |
| Cases against our Group Companies | | |
| Outstanding Criminal proceedings | NIL | NIL |
| Actions initiated by regulatory or statutory authorities | NIL | NIL |
| Outstanding material civil litigation | 01 | Non-identifiable |
| Tax proceedings | 12 | 25,21,689.30 |
| Total | 13 | 25,21,689.30 |
| Cases by our Group Companies | | |
| Outstanding Criminal proceedings | 01 | 13,34,824 |
| Outstanding material Civil litigation | 02 | Non-identifiable |
| Tax proceedings | NIL | NIL |
| Total | 03 | 13,34,824 |

- c) **We have in the past entered into transactions with related parties and may continue to do so in the future. These or any future related party transactions may potentially involve conflicts of interest and there can be no assurance that we could not have achieved better**

terms, had such arrangements been entered into with unrelated parties.

We have entered into various transactions with related parties, including for providing services from time to time. For further details in relation to transactions with related parties, please refer to the section entitled ***“Related Party Transactions”*** on page 185. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although upon the listing of our Equity Shares pursuant to the Issue, all related party transactions that we may enter into, will be subject to the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such related party transactions may potentially involve conflicts of interest.

Our Company has entered into a lease agreement with our Group Company, SKM Realcon Private Limited for using the premises as mentioned herein for the purposes of setting up its Corporate Office and laboratory situated at C-40, Sector-57, Noida, Dist: Gautam Budh Nagar (Uttar Pradesh), for a period of five (5) years effective from April 01, 2022. Further, our Company has entered into a rent agreement with our Promoter, Alok Kumar Agarwal, for using the premises as mentioned herein as its registered office at 73, National Park Lajpat Nagar-IV New Delhi, Delhi 110024, India, for a period of eleven (11) months effective from December 26, 2022.

There is no assurance that our related party transactions in future would be on terms favorable to us when compared to similar transactions with unrelated or third parties or that our related party transactions, individually or in the aggregate, will not have an adverse effect on our financial condition. For details, see ***“Financial Statements as Restated”*** on page no 177 and ***“Related Party Transactions”*** on page 185.

- d) There has been certain non-compliance with the provisions of Companies Act, 2013 with respect to corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for such non-compliance and our business and financial condition may be adversely affected.**

Based on Restated Standalone Financial Statements, our Company had advanced a loan in the past, of Rs. 11.59 Lakhs to Mr. Kamal Grover and Rs. 31.00 Lakhs to Mr. Antaryami Nayak who are the Directors of our Company. Section 185 of the Companies Act, 2013 prohibits the companies from advancing any loan and/or giving any security or guarantee in relation to the loan taken by the directors of the company or its holding company or any partner of such director or any partner of such director or any firm in which such director or relative is a partner. Sanctioning of such loan by our Company to its Directors falls under the purview of

Section 185 of the Companies Act, 2013. Therefore, we may be subjected to a penalty under Section 185 of the Companies Act, for the above- mentioned action.

- e) **Our future funds requirements, in the form of 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 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.

- f) **Our Company has unsecured loans which are repayable on demand.**

Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows. Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of March 31, 2023, such unsecured loans amounted to ₹ 838.16 Lakhs. However, the unsecured loans amounted to ₹ 818.16 Lakhs will be repaid to TIC Services Private Limited out of proceeds of the Issue. In the event that any lender seeks repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition, and results of operations. For further details, please see the section entitled “**Financial Indebtedness**” on page 260 of this Draft Prospectus.

- g) **We are required to maintain certain licenses, approvals, registrations, consents and permits in the ordinary course of business. Failure to obtain the requisite approvals result in non-compliance and therefore, affect our business operations, financial condition, result of operations and prospects.**

Our operations are subject to government and statutory regulations and we are required to obtain and maintain several permits, consents, registrations and approvals under central, state and local government rules for operating our business. While we believe that we have obtained the necessary and material approvals, licenses, registrations and permits from the relevant authorities, there could be instances where we may have not applied, obtained, or applied with a delay for certain requisite approvals applicable to us. Penalties may be levied against our Company for the breach of limits which may adversely affect the financial position of our Company. Further, we need to apply for renewal of approvals, licenses, registrations and permits, which may expire from time to time or seek fresh approvals, as and when required, in the ordinary course of our business. While we generally apply for the renewal of

approvals timely, we cannot assure that such approvals will be issued or granted to us in a timely manner, or at all, which may have an adverse effect on our business and operations.

On conversion of our Company to Public Limited Company, the name has been changed to Qualitek Labs Limited from erstwhile name Qualitek Labs Private Limited vide special resolution passed by our Shareholders at extra-ordinary general meeting held on March 17, 2023. Consequent to this change, we have updated the same in various approvals, license and registrations taken by our company in the ordinary course of our business however in some approvals, licenses and registration, the updated name is still pending or in process.

Pursuant to Rule 14 of the Environment Protection Rules, 1986, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board an environmental statement for that financial year in the prescribed form. Our Company has not obtained such consent to establish and operate for its Pune lab. Our company has also not obtained Consent under Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016 and Bio-Medical Waste Management Rules, 2016. Further, our Company has not obtained prior written approval from the Electrical Inspector for commissioning the DG set for the DG set installed in Bhubaneshwar, Orissa lab.

Further, our Company requires approval for carrying out tests on drugs/cosmetics at our Bhubaneswar lab under Rule 150-B of The Drugs and Cosmetics Rules, 1945, and Rule 55 of the Cosmetics Rules, 2020. Since, we do not possess such approvals, our Company may incur substantial costs, fines, as a result of violations of our liabilities under Drugs Rules, 1945 and the Cosmetics Rules, 2020, which may affect our business operations and financial condition.

Furthermore, government approvals and licenses are subject to numerous conditions, including adherence to emission standards and regular monitoring and compliance requirements, some of which are onerous and require us to incur substantial expenditure. We may incur substantial costs, including clean up and/or remediation costs, fines and civil or criminal sanctions, as a result of violations of or liabilities under environmental or health and safety laws, which may have a material adverse effect on our business or financial condition. We cannot assure you that approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for, obtain and validly maintain therequired licenses, approvals, registrations or permits, or any suspension or revocation of any approvals, licenses, registrations and permits that have been or may be issued to us, may materially and adversely affect our operations. For further details, please see the section entitled **“Government and Statutory Approvals”** on page 272 of this Draft Prospectus for more details, including such approvals for which applications are pending before relevant authorities.

- h) There has been certain non-compliance with labour laws by our Company. Consequently, we may be subject to regulatory actions and penalties for such non-compliance and our business and financial condition may be adversely affected.**

Our Company has obtained registration under the Employee Provident Fund (“EPF”) and the Employee State Insurance Corporation (“ESI”). Hence, our Company is required to make contribution under Section 6 of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) and under Section 39 of the Employees’ State Insurance Act, 1948 (“ESI Act”). Our Company has not paid the EPF’s contribution amount for 20 trainees working in the Company. Further, the Company has not fulfilled its obligation to pay ESI contribution of 14 employees. Therefore, our Company may be subjected to the penalty under relevant provisions of the ESI Act, and EPF Act.

Our Company has not provided for gratuity provision since incorporation till Fiscal ending March 31, 2021 and Fiscal ending March 31, 2022, however, we have provided for gratuity provisioning for the period ended March 31, 2023, which has now been restated for the respective years based on the actuarial valuation report for the respective years. Under the applicable regulatory provisions, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee’s length of service and salary at retirement age and every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. This may subject us to regulatory actions and/ or penalties which may adversely affect our business, financial conditions, and reputation.

In accordance with The Payment of Bonus Act, 1965 (“Bonus Act”), employees of a newly setup establishment shall be entitled to bonus in respect of the accounting year in which the employer derives profit from such establishment and such profits shall be calculated in accordance with the provisions of the Bonus Act. Our Company is required to pay bonus in accordance with Section 16(1A) of the Bonus Act. Therefore, for non-compliance of the provisions of Bonus Act, our Company may be subjected to regulatory actions and/ or penalties under relevant provisions of the said act.

- i) We may not be successful in implementing our business strategies.**

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a

material adverse effect on our business and results of operations.

- j) Our Promoters and Directors are also interested as a shareholder or director or partner in Group Companies, that are engaged in the business similar to our Company. In addition, our Group Company, Interstellar Testing Centre Private Limited is engaged in the business similar to our Company. This may lead to conflict of interest of our Group Company with our Company.**

Our Group Company, Interstellar Testing Centre Private Limited operate in the same line of business as us, which may lead to conflict of interest. Hence, we may have to compete with our Group Company for business, which may impact our business, financial condition and results of operations. We cannot assure that our Promoters who have common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests conflict. In cases of conflict, our Promoter may favour our Group Company in which our Promoters have interest. There can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. The interests of our Promoters may also conflict in material aspects with our interests or the interests of our Shareholders. However, our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, see **“Our Group Companies”** on page 181. Further we share the same premises of our registered office with many Group Companies and Promoter Group entities. There is no separate sub-lease agreement, rent sharing agreement or area sharing agreement. In case of any dispute, we may suffer a disruption in our operations which could have an adverse effect on our business and operations. Any multiple or overlapping use of the said facilities may create some disruption which may affect our business operations.

- k) If there are delays in installation of plant and machinery for existing laboratories and for expansion of laboratories, or if the costs of setting up and the possible time or cost overruns related to the proposed expansion or the installation of plant and machinery for existing laboratories are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.**

We are in the process of installation of plant and machinery for existing laboratories and for expansion of laboratories and the same is dependent on our ability to arrange finance through Net Proceeds or otherwise, the performance of external agencies which are responsible for inter alia installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that we will be able to arrange for such finance on time, or

at all. Further, we cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns.

Certain plant, machinery and equipment purchased are to be shipped to the laboratories from other regions. Any delay in the transportation of such assets or damage to the assets acquired due to inter alia defaults by transportation agencies, may further result in cost and time overruns in the commissioning of the plant and machinery for existing laboratories and for expansion of laboratories.

The estimated costs for purchase and installation of plant and machinery for existing laboratories and for expansion of laboratories are based on the quotations for plant and machinery, management's estimates and current conditions and are subject to change, owing to prospective changes in external circumstances, costs and other financial conditions. There could be delays in installation of plant and machinery as a result of, amongst other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors' or external agencies' failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, cost escalation and/ or force majeure events (including the continuing impact of the COVID-19 pandemic, geopolitical tensions, etc.), any of which could give rise to cost overruns and delays in our implementation schedules.

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

- I) Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive and requires a significant amount of working capital for smooth functioning. Summary of our working capital position based on Restated Standalone Financial Statements for financial year ended on March 31, 2022, March 31, 2023 as well as projections/estimated for financial year ended March 31, 2024, are as stated below:

(Rs. In Lakhs)

| Particulars | FY 2021-22(Restated) | FY 2022-23(Restated) | FY 2023-24(Estimated) |
|--|----------------------|----------------------|-----------------------|
| Current Assets: | | | |
| Trade Receivables | 219.28 | 582.57 | 870.00 |
| Short Term Loan & Advances | 439.93 | 230.50 | 320.00 |
| Cash and Cash equivalents | 101.86 | 34.59 | 95.00 |
| Other Current assets | 1.14 | 11.38 | 10.00 |
| Total (A) | 762.21 | 859.04 | 1295.00 |
| Current Liabilities: | | | |
| Trade payables | 150.21 | 367.30 | 434.00 |
| | | | |
| Other Current Liabilities | 109.40 | 188.28 | 202.00 |
| Short term provisions | 0.30 | 2.71 | 11.00 |
| Total (B) | 259.91 | 558.29 | 647.00 |
| Total working capital (A) - (B) | 502.30 | 300.75 | 648.00 |
| Funding Pattern | | | |
| Working capital funding from bank | 293.54 | 300.75 | 340.00 |
| IPO Proceeds | N/A | N/A | 250.00 |
| Internal accruals/net worth | 208.76 | - | 58.00 |

We intend to continue growing by expanding our business operations. Large amount of reliance is placed on the borrowings. This may result in increase in the quantum of current assets particularly trade receivables. The results of operations of our business are dependent on our ability to effectively manage our incremental working capital requirements. We estimate our revenue based on the forecast, demand and requirements and also on the customer specifications. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

We have a sanctioned limit for working capital of Rs. 400.00 Lakhs from the existing bankers / financial institutions. Further, an unsecured loan of Rs. 838.16 Lakhs from the Promoter TIC Services Private Limited, and Group Company ASC Consulting Private Limited has been taken. Our growing scale and expansion, if any, may result in increase in the quantum of working capital. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapters titled *“Objects of the Issue”* and *“Management Discussion and Analysis of Financial Condition and Results of Operation”* beginning on pages 99 and 252, respectively, of this Draft Prospectus.

- m) **We have incurred borrowings from commercial banks and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our**

business and financial condition.

We have entered into agreements with banks for short-term and long-term borrowings. These borrowings include secured fund based and non-fund-based facilities. As of March 31, 2023, we had total long term secured borrowings of ₹ 1033.69 Lakhs, which comprises of term loan from Kotak Mahindra Bank Limited and vehicle loan from ICICI Bank. The financing agreements that we have entered into for availing the secured loans contain negative covenants, including for availing fresh credit facility, giving fresh loans and advances, issuing corporate guarantee, etc. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities, foreclosure on our assets, trigger cross default provisions under certain of our other financing agreements which may adversely affect our financial condition and our ability to conduct and implement our business plans.

Our hypothecated assets comprise of all existing and future current assets. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans and affect our business, financial condition, results of operations and prospects. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. For further information, please see "**Financial Indebtedness**" beginning on page 260 of this Draft Prospectus.

- n) **Technological changes, evolving customer requirements and emerging industry trends may affect our business, may render our current technologies obsolete, and may require us to make substantial capital investments.**

Our business functions in a high technology sector and as a result, the possibility of technological obsolescence is greater than the companies in more conventional industries. Our future success depends, in part, on our ability to respond to technological advances, evolving customer requirements, and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risk and significant implementation costs. However, historically, Indian peers have not been as active in this regard and face the risk of facing a demand disruption given the significant technological advancements their foreign rivals are making, which could even render modules manufactured in India redundant. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to evolving customer requirements or emerging industry standards. Changes in technology may make newer solutions more competitive than ours or may require us to make additional capital

expenditure to upgrade our facilities and technology. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, our business, financial condition and results of operations could be materially and adversely affected.

- o) Properties, on which we have our Registered Office, Corporate Office and laboratories, are not owned by us. Any termination or dispute in relation to this lease/ rental/ license agreement may have a material adverse effect on our business, financial condition, results of operations and cash flows.**

The properties where our Registered Office, Corporate Office and laboratories are situated are not owned by our Company and the same have been taken on rent/lease/license from whom we have entered into a rent/lease/license agreement with. For details on properties taken on lease/rent/license by us please refer to the heading titled “Properties” in chapter titled “**Our Business**” beginning on page 132 of this Draft Prospectus.

Several agreements entered into by our Company are renewable on mutually agreed terms. The rent agreements have a clause for the renewal of the same for a further period as may be mutually agreed among the parties after the expiry of the current period. In the event of the said agreements are not being renewed or agreement is terminated by either of the parties or upon expiry of the said agreement or increase in rent or any non-compliance, we may have to either vacate the Registered Office, Corporate Office and laboratories and re-locate to other premises or agree to pay the extra amount for using the same prices. Further, increase in rent structure will lead to increase of our expenditure which in turn will lead to decrease of revenue and increase of operational cost. Also, searching for the suitable location, setting the registered office and laboratories from the scratch and relocating the inventory may lead to loss of clients, reduction in sales thereby affecting our profitability.

- p) Exchange rate fluctuations may adversely affect our results of operations.**

Although our reporting currency is the Indian Rupee, we conduct certain business operations and incur costs, such as capital goods purchases and other expenditure, in the local currency of other countries.

As a result, we are subject to currency translation and transaction risk and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of such fluctuations. Because our financial results are reported in Indian Rupees, if we generate revenue or earnings in other currencies, the translation of those results into Indian Rupees can result in a significant increase or decrease in the amount of those revenues or earnings. Furthermore, to the extent that we are unable to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations between such currencies could have a material adverse effect on our liquidity or

our ability to efficiently utilize our working capital. Therefore, volatility in currency exchange rates may have a material adverse effect on our business, financial condition and results of operations. While we enter into forward contracts and may enter into foreign currency hedging transactions in future, from time to time, there is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability to take such measures may adversely affect our results of operations and financial position.

q) Our success will depend on our ability to attract and retain our key managerial personnel and key scientific personnel.

We are dependent on the services of our executive officers and other members of our senior management team. The loss of one or more of these key employees or any other member of our senior management team could have a material adverse effect on our business. We may not be able to retain or replace these key employees and may not have adequate succession plans in place. In particular, our Company is managed by Antaryami Nayak, Kamal Grover and various other key managerial personnel. Any situations impinging on their ability to function or their departure from our business may adversely affect our business performance.

Our senior management is important to our business because of their experience and knowledge of the industry. If one or more of our key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skills and expertise promptly, or at all, which could have a material adverse effect on our business, prospects and financial results. If any of our key employees were to join a competitor or to form a competing company, some of our clients might choose to use the services of that competitor or new company instead of our own thereby also adversely affecting our business, prospects and financial results.

Owing to the scientific and specialised nature of our work, we are dependent upon our scientific and technical personnel. There is intense competition for qualified scientific and technical personnel in India. To effectively compete, we may be required to offer higher compensation and other benefits which could materially and adversely affect our financial condition and results of operations. In the future, we may not be able to attract and retain the qualified personnel necessary for the conduct and further development of our business which could affect our ability to execute our business strategy. The loss of the services of existing personnel, including through an increase in our attrition rate, as well as the failure to recruit additional key scientific, technical, and managerial personnel in a timely manner, could adversely impact our ability to expand our business and to remain competitive in the TIC industry. Additionally, we may be unable to redeploy and retrain our professionals to keep pace with continuing changes in technology, evolving standards and changing client preferences.

- r) **Outbreaks of contagious diseases, such as the outbreak of COVID-19, may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.**

Our business has been affected due to the COVID-19 pandemic, and we are currently unable to predict its near-term or long-term impact on our business. India experienced multiple waves of COVID-19 which had impacted global supply chains and resulted in inability to meet the customer's requirements that continues till date. The COVID-19 pandemic had resulted in restrictions on travel and transportation and prolonged closures of workplaces, businesses and schools, with employees being asked to work from home and citizens being advised to stay at home. Consequently, there was a significant disruption in attendance at the laboratories.

There is also no assurance that there will not be further mutations of COVID-19 resulting in new variants and additional economic downturns that have materially adverse effect our business, financial condition, results of operations, cash flows and prospects.

There can also be no assurance that the policies and controls for outbreak prevention and disease recurrence or any stimulus packages introduced by the GOI will be successful in preventing disease outbreaks or recurrences or that any actual or suspected outbreak of COVID-19 or other contagious disease affecting India or elsewhere will not occur. There can also be no assurance that any future outbreak of contagious diseases will not have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

- s) **Certain discrepancies / errors were notices in corporate records related to filling with the Registrar of Companies as per the provisions of Companies Act, 2013.**

Our Company has not complied with statutory provisions of Companies Act, 2013 relating to filling of CHG-1 for creating charge with the Registrar of Companies for a car loan availed in March, 2021 from ICICI Bank amounting to Rs. 29.7 Lakhs. Further, the Company has not filed Form CHG-1 and CHG-4 for loan availed from Hero Finance amounting to Rs. 255.00 Lakhs, and CHG 4 for loan amounting to Rs. 90.00 Lakhs. For more details on these secured loans such as security, tenure of repayment, etc. The Please provide the CHG 1 form for charge amount Rs. 90,00,000/-, dated April 08, 2022, please refer to chapter titled "**Financial Indebtedness**" on page 260 of this Draft Prospectus. Further, any penalty or action taken by any regulatory bodies in future, for non-compliance with provisions of corporate and others laws could impact the financial position of the company and affect the profitability.

Further, Section 184(1) of the Companies Act read with Companies (Meeting of Board and its Powers) Rules, 2014 requires that every director shall make disclosure of his interest in any company or firm or body corporate or any association of individuals at the first Board meeting or when there is any change in the interest of directors, by giving a notice in writing in

Form MBP 1. Our Director Alok Kumar Agarwal, has not filed Form MBP 1 for disclosure of his interest in the company, ASC (S) Consulting PTE. Ltd. Therefore, the Director and the Company may be subjected to the penalty for such non-compliance.

Our Company has also made some clerical/typographic mistakes in minutes of the meetings or has not maintained the minutes in strict compliance of Secretarial Standards. Although no show cause notice has been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its Directors, in which event the financials of our Company and our Directors may be affected.

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

- t) **Within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 99 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue.**

Our funding requirements and deployment of the Net Proceeds are based on the certificate dated August 19, 2023 issued by J Madan & Associates, Chartered Accountants, internal management’s estimates which are based on current market conditions and have not been appraised by any bank or financial institution. We intend to use the entire Net Proceeds towards working capital management, repayment of loan to our promoter TIC Services Private Limited and general corporate purposes. We intend to deploy the Net Proceeds in FY 2023-24 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled "**Objects of the Issue**" beginning on page 99 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘**Objects of the Issue**’ beginning on page 99 of this Draft Prospectus, the management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the Company shall comply with Section 27 of the Companies Act, 2013 before varying the ‘**Object of the Issue**’. Our Board of Directors will monitor the utilization of the proceeds of this issue.

- u) **Our business is subject to strikes, work stoppages and/or increased wage demands, as well**

as other disputes with our employees.

We cannot guarantee that our employees will not join labour unions in the future and as a result we may experience disruptions in our operations due to disputes or other problems with our workforce. Efforts by our employees to modify compensation and other terms of employment may also divert management's attention and increase operating expenses. The occurrence of such events could adversely affect our business, financial condition and results of operations.

- v) Our ability to pay dividends in the future may depend upon our future revenues, profits, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.**

Our Company has not declared dividends for any financial year in the past and our Company may not be able to declare dividends in the future. Further 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. Accordingly, realization of a gain on Shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see *"Dividend Policy"* on page 186 of this Draft Prospectus.

- w) Our Promoters will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to Shareholders for approval.**

As on date of this Draft Prospectus, our Promoters hold approximately 100% of the pre-Issue paid-up Equity Share capital of our Company and will continue to hold 73.35% of the post-Issue paid-up Equity Share capital of our Company. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter as our controlling shareholder could conflict with our interests or the interests of our other shareholders, in which event, we cannot assure you that the Promoter will act to resolve any conflicts of interest in our favour or the interests of our other shareholders.

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

Our Promoters average cost of acquisition of Equity Shares in our Company could be lower than the Issue Price as decided by the Company in consultation with the 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 84 of this Draft Prospectus.

- y) **Industry information included in this Draft 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 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 dependability 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 third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Prospectus.

- z) **Our Promoter, also being the Managing Director, and some other Directors and Key Managerial Personnel of our Company, hold Equity Shares in our Company and are therefore interested in the Company’s performance in addition to their remuneration and reimbursement of expenses.**

Our Promoter, Antaryami Nayak, also being the Managing Director, Kamal Grover being Whole Time Director, and some other Directors, and Key Managerial Personnel of our Company, are interested in our Company, in addition to their remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Our Promoter, Directors and KMPs shall abide by the provisions of SEBI LODR Regulations and protect the interests of the

Company. However, in case of any conflict of interest our Promoter, Directors and KMPs shall keep the interests of our Company first over their personal interest, we cannot assure you that they will exercise their rights as Shareholders to the benefit and best interest of our Company. Our Promoter, Directors and KMPs may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoter, Directors and KMPs of our Company, other than reimbursement of expenses incurred or remuneration or benefits, please see the chapters titles **“Our Management”** and **“Our Promoter and Promoter Group”** beginning on pages 156 and 174, respectively, of this Draft Prospectus.

aa) Our Company may not completely utilise the Net Proceeds of the Issue for the objects in FY 2023-24

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described above during FY 2023-24. However, if the Net Proceeds are not completely utilised for the Objects stated in Draft Prospectus in FY 2023-24 due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) market conditions outside the control of our Company and its management; and (iv) other commercial considerations such as availability of alternate financial resources, the same would be utilised (in part or full) in a subsequent period as may be determined by our Company in accordance with applicable law. For further details on the use of the Issue Proceeds, please refer chapter titled **“Objects of the Issue”** beginning on page 99.

bb) Our Group Companies have incurred losses in the past, which could not be perceived positively by external parties.

Our Group Companies, ASC Financial Services Private Limited and Quality & Testing Infosolution Private Limited have incurred losses in the past, the details of which is given hereinbelow:

(Rs. in lakhs)

| Sr No. | Group Company | For the year ended on March 31, 2022 | For the year ended on March 31, 2021 | For the year ended on March 31, 2020 |
|---------------|--|---|---|---|
| 1. | ASC Financial Services Private Limited | (5.73) | 1.25 | 1.92 |
| 2. | Quality & Testing Infosolution Private Limited | (71.38) | (30.80) | - |
| 3. | SKM Realcon Private Limited | (46.41) | 6.85 | 9.08 |

Any operating losses/negative net worth may not be perceived positively by external parties such as customers, bankers, suppliers and other stakeholders which could adversely affect our credibility and the overall operations of the group, financial conditions, and also divert the attention of the management and Promoters towards the group company which could have an adverse effect on our operations and financials. For more information, regarding the Company, please refer chapter titled **“Our Group Companies”** beginning on page 181 of this Draft Prospectus.

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

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Net Proceeds. However, the Audit Committee of our Board will monitor the utilization of Net Proceeds. Any inability on our part to effectively utilize the Net Proceeds could adversely affect our finances. Further, our Company shall inform about material deviations in the utilization of Net Proceeds to the Designated Stock Exchange and shall also simultaneously make the material deviations/ adverse comments of the Audit Committee, public.

- dd) Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.**

Quality of services is a vital element for our sector. We provide distinguished services to a variety of customers which provides us a safeguard against the change of trend with any type of customer as our operational cash influxes get balanced with other type of our customer base. Any rapid change in our customers expectation on account of changes in technology or introduction of new kind of services or any other reason including any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

- ee) If we fail to protect the intellectual property rights of our clients, we may be subject to liability for breach of contract and may suffer damage to our reputation.**

Protection of intellectual property associated with our testing activities is critical to our business. Our clients generally retain ownership of all associated intellectual property, including those that they provide to us and those created, developed or otherwise generated or arising from the services we provide to them. Our success therefore depends in substantial part on our ability to protect the proprietary rights of our clients. Despite the measures that we take to protect the intellectual property of our clients or our own, unauthorised parties may attempt to obtain and use information that we regard as proprietary.

Any unauthorised disclosure of our clients' proprietary information could subject us to liability for breach of contract, as well as significant damage to our reputation, which could materially adversely impact our business, financial condition, results of operations and prospects. In addition, any breach in the protection of intellectual property would constitute a breach of our client contracts, which could entail negative publicity and result in termination of client contract. We may also be unable to obtain new client contracts and be subject to legal proceedings, which may continue for a long period and result in significant costs to our Company.

- ff) If we underprice our contracts, overrun our cost estimates or fail to receive approval for or experience delays in documentation of change orders, our business, financial condition, results of operations or cash flows may be materially adversely affected.**

Most of our contracts are either priced on a full-time equivalent basis or on a fee-for-service basis wherein revenues are agreed to in the contract between us and the client. We price our contracts based on assumptions regarding the scope of work required, the complexity of the research required and cost to complete the work. We regularly review the estimated hours on each contract to determine if the budget accurately reflects the agreed tasks to be performed, taking into account the state of progress at the time of review. In addition, contracts with our clients are subject to change orders, which occur when the scope of work performed by us, needs to be modified from that originally contemplated in our contract with the clients. This can occur, for example, when there is a change in a key study assumption or parameter or a significant change in timing. We may be unable to successfully negotiate changes in scope or change orders on a timely basis or at all, which could require us to incur cost outlays ahead of the receipt of any additional revenue. While we endeavour to ensure that changes in scope are appropriately monitored and change orders for additional revenue are promptly negotiated for additional work as necessary, we bear the financial risk if we are unable to negotiate a price increase, which could adversely affect our cash flows and financial performance.

- gg) The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.**

The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our services, our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our

target markets may impact our financial performance. New competitors may include foreign-based companies and domestic companies who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our services, which may result in a decline in our revenues and profitability.

hh) Our operations are considerably located in Pune, Maharashtra region and failure to expand our operations may restrict our growth and adversely affect our business.

Currently, we are carrying our business mainly in the Pune, Maharashtra and hence our major revenues are generated from operations in this region only. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus, we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating regions could impact our future revenues, our operating results and financial conditions.

ii) Our major operations are concentrated in Pune, Maharashtra and any adverse factors affecting the state could have an adverse impact on our business, results of operations and financial condition.

Our laboratories are located in the city of Pune, Maharashtra and Bhubaneswar, Orissa. We generate majority of our revenue from this state i.e., out of ₹ 1913.67 Lakhs ending on March 31, 2023, we have generated revenue of ₹ 1653.46 Lakhs i.e., 86% from Pune, Maharashtra. Consequently, occurrence of any significant social, political or economic disruption, natural calamities, civil disruptions in the state of Maharashtra or any changes in the policies of the state or local governments of this state or in the Government of India could require us to incur significant capital expenditure and change our entire business strategy in parts or in entirety. Our inability to effectively respond to any such event or adapt to the changes in such policies could have an adverse effect on our business, results of operations, financial condition and cash flows.

jj) Major revenues of our Company are generated from Automotive testing and any adverse factors affecting the automotive sector as a whole could have an adverse on our business, results of operations and financial condition.

We generate majority of our revenue from automotive testing which accounts for ₹ 1412.15 Lakhs of total revenue generated by the Company i.e: 73.79% of total revenue amounting ₹ 1913.67 Lakhs ending on March 31, 2023. Consequently, occurrence of any significant social, political or economic disruption, or any changes in the policies of the state or local governments related to automotive sector or in the Government of India could require us to shift from automotive testing to exploring other segments or new testing segments. Our

inability to effectively respond to any such event or adapt to the changes in such policies could have an adverse effect on our business, results of operations, financial condition and cash flows.

- kk) **Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

(Rs. in lakhs)

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash flow from operating activities | 717.86 | (511.94) | 135.03 |
| Cash flow from investing activities | (1731.47) | (173.29) | (606.68) |
| Cash flow from financing activities | 1046.34 | 673.94 | 481.92 |

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet its 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 flow, it may adversely affect our business and financial operations. For further details please refer to the section titled ***“Financial Statements as Restated”*** and chapter titled ***“Management's Discussion and Analysis of Financial Conditions and Results of Operations”*** beginning on page no. 177 and page no. 252 respectively, of this Draft Prospectus.

- ii) **Our Promoter has provided personal guarantee for loans availed by us. In the event of default of the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter’s ability to manage the affairs of our Company and our Company’s profitability and consequently this may impact our business, prospects, financial condition and results of operations.**

We have taken guarantees from promoters and Promoter Group in relation to our secured debt facilities availed from our bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled ***“Financial Indebtedness”*** beginning on page 260. In the event of default in repayment of the loans by the Company, the personal guarantee extended by our Promoter may be invoked by our lenders thereby adversely affecting our Promoter’s ability to manage

the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations.

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

- mm) Our trademark is registered in the name of Kamal Grover, one of the Promoter and Director, and our Company has obtained license to use the trademark through a license agreement. Failure to protect intellectual property may adversely affect our reputation, goodwill and business operations.**

Our Company is using a trademark, in process of registration, in the name of Mr. Kamal Grover, one of the Promoter and Director of the Company. We have obtained license to use the trademark bearing application no. 5608751 from our Director, Kamal Grover, vide license agreement dated May 02, 2023. For further details on trademark, please refer to section titled ***“Intellectual Property Related Approvals - Government and Statutory Approvals”*** on page 272. Any disruption on the said arrangement may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with these trademarks is critical to our success. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects.

- nn) We have not entered into a license agreement with our Group Company (Quality & Testing Infosolution Private Limited) for the use of LIMS (Laboratory Information Management System) in our routine business operations and sample management.**

Our Company uses software- Laboratory Information Management System (LIMS) developed by our Group Company, for sample registration, sample booking, sample test master creation & updation, test results updation, invoice generation (GST formats), report generation (in defined formats) etc. We have entered into a confidentiality agreement dated December 25, 2020 with our Group Company, however there is no agreement entered into between the parties for using the said software, therefore, this may adversely affect our business and results of operations.

- oo) We have not obtained letter of consent/No objection certificate from ICICI Bank for inclusion of its name as Banker to the Company in the Draft Prospectus.**

Our Company has availed a car loan of Rs. 29.7 Lakhs from ICICI Bank via sanction letter dated March 15, 2021. However, our Company has not obtained/yet to obtain a letter of consent/No objection certificate from ICICI Bank for including its name as a Banker to the Company in the Draft Prospectus and the Prospectus to be filed with the Stock Exchange, the ROC and other applicable authorities in respect of the Issue.

- pp) The Promoter Group of our Company does not include several immediate relatives of Promoter Antaryami Nayak, Kamal Grover and/ or their entity(ies) in which they may have an interest.**

The Promoter Group of our Company does not include certain relatives of our Promoter, namely, Antaryami Nayak, Kamal Grover and/ or their entity(ies) in which they may have an interest. An affidavit to that effect has been signed by such members of the promoter group and they have provided a confirmation that they do not have any financial interest in the Company and do not own shareholding in our Company and are also not involved in the business of our Company, directly or indirectly. Apart from the said confirmation, the said relatives of the Promoter have given confirmation that (a) they do not hold 20% or more equity shares or equivalent instrument in any body corporate in or outside India; (b) are not a member of any partnership firm or Hindu Undivided Family (HUF) in or outside India; (c) have not been debarred from accessing or operating in capital markets or restrained from buying, selling, or dealing in securities under any order or direction passed by Securities and Exchange Board of India or any other regulatory or governmental authority and (d) have not borrowed loan from any bank or financial institutions in India (e) have not been declared as a wilful defaulter or a fraudulent borrower by the Reserve Bank of India, any other governmental authority(ies), bank and financial institution.

- qq) Several members of the Promoter Group of our Company do not have income tax returns as well as KYC documents required for the purpose of identification of entities in which the Promoter Group may have an interest.**

The members of Promoter group are required to provide income tax returns as well as KYC documents for the purpose of identification of entities in which the relatives of the Promoter may have an interest. Few members of Promoter Group do not hold Permanent Account Number (PAN) Card and has never applied before the relevant authority for obtaining the PAN Card. Further, they have not filed any Income tax returns. Therefore, the resultant entities which would form a part of Promoter Group could not be identified.

- rr) **We generally do business with our customers on purchase order basis and do not enter into long- term contracts with most of them.**

Our business is dependent on our continuing relationships with our customers. Our Company does not have any long-term contract with any of customers. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

- ss) **We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, 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. 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 capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "**Objects of the Issue**" beginning on page 99.

2. Issue Related Risks

- a) **There are restrictions on daily / weekly / monthly movements in the price of the Equity Shares, which may adversely affect a shareholder's 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 designated 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.

- b) The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.**

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a Fixed Price method in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

- c) 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:

- Volatility in the Indian and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- 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.

- d) The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue**

Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares has been determined by Fixed Price method. This price is based on numerous factors (For further information, please refer chapter titled ***“Basis for Issue Price”*** beginning on page 113 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

e) 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 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.

f) QIB and Non-Institutional investors are not permitted to withdraw their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application.

Pursuant to SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application. Retail Individual Investors can revise their Application during the Issue Period and withdraw their Applications until Issue Closing date. While our Company is required to complete Allotment pursuant to Issue within six Working Days from the Issue Closing date, events affecting the Applicants decision to invest in Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, result of operations or financial condition may arise between the date of submission of the Application and allotment. Our

Company may complete the allotment of Equity shares even if such events occur, and such events limit the Applicants ability to sell the Equity Shares allotted pursuant to the Issue or cause the trading price of Equity Shares to decline on listing.

- g) Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of disinvestments of Equity Shares by our Promoter, TIC Services Private Limited 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 RISK FACTORS

1. Industry Related Risks

- a) Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry are 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.

- b) A slowdown in economic growth in India could have an adverse effect on our business, results of operations, financial condition and cash flows.**

Our performance and growth are, and will be, dependent to a large extent on the health of the Indian economy and consumption spending by households. Economic growth in India is affected by various factors including domestic consumption and savings, rate of inflation in India, balance of trade movements, and global economic uncertainty. Most of our assets and employees are located in India, and we intend to continue to develop and expand in India.

Inflation, measures to combat inflation and public speculation about possible governmental actions to combat inflation have also contributed significantly to economic uncertainty in India and heightened volatility in the Indian capital markets. Periods of higher inflation may also slow the growth rate of the Indian economy and increase some of our costs and expenses. To the extent that the demand for our products decreases or costs and expenses increase, and we are not able to pass those increases in costs and expenses on to our customers, our operating margins and operating income may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

2. Other Risks

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

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, including the instances described below, may adversely affect our business, financial condition, results of operation, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

For instance, in November 2016, the Government of India demonetized certain – high value denominations of currency. Trading and retail businesses in India were impacted for a limited period of time on account of such demonetization. Such businesses have subsequently needed to introduce additional point of sale instruments to improve their collection process.

The Government of India implemented a comprehensive national goods and service tax (“GST”) regime that combines taxes and levies by the Central and State governments into a unified rate structure from July 01, 2017, which we believe will result in fundamental changes. However, given its recent introduction, there is no established practice regarding the implementation of, and compliance with, GST. The implementation of the new GST regime has increased the operational and compliance burden for Indian companies and has also led to various uncertainties. Any future increases and amendments to the GST regime may further affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures and/or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations. Further, the General Anti Avoidance Rules came into effect on April 1, 2017. The effect of the application of these provisions to our business in India is at present uncertain.

b) **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 de-regulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

c) We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which our company operates contained in the Draft Prospectus.

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the industry in which our Company operates 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 **“Industry Overview”** beginning on page 123 of the Draft 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.

d) Financial instability in Indian financial markets could adversely affect our Company’s results of operations 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.

e) Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time-to-time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE Limited could adversely affect the trading price of the Equity Shares.

f) 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 and magnitude, which may negatively affect our stock prices.

g) 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.

h) The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

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

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

SECTION IV – INTRODUCTION
THE ISSUE

The following table summarizes the Issue details

| Particulars | Details of Equity Shares |
|--|--|
| Issue of Equity shares by Our Company ⁽¹⁾ | Issue of upto 1,964,400* Equity Shares of face value of Rs.10/- each fully paid up of the Company for cash at price of Rs. 100/- per Equity Share aggregating upto Rs. 19,64,40,000 ⁽²⁾ |
| Issue Consists of: | |
| Market Maker Reservation Portion | Upto 99,600 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. 100 /- per Equity Share aggregating to Rs. 99,60,000 . |
| Net Issue to the Public | Upto 1,864,800 Equity Shares of face value of Rs.10/- each fully paid up of the Company for cash at price of Rs. 100/- per Equity Share aggregating to Rs. 18,64,80,000 . |
| <i>Of Which⁽³⁾</i> | |
| Retail Portion | Upto 9,32,400 Equity Shares of face value of Rs. 10/- each |
| Non – Institutional Portion | Upto 9,32,400 Equity Shares of face value of Rs. 10/- each |
| Pre and Post Issue Equity Shares: | |
| Equity Shares outstanding prior to the Issue | 54,07,500 Equity Shares of face value of Rs.10/- each |
| Equity Shares outstanding after the Issue | 73,71,900 Equity Shares of face value of Rs.10/- each |
| Use of proceeds of this Issue | For further details please refer chapter titled “ Objects of the Issue ” beginning on page 99 of this Draft Prospectus for information on use of Issue Proceeds. |

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 their meeting held on April 29, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 02, 2023.*
- 3) *As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the Allocation’ is the net issue to the public category shall be made as follows:*
 - a) *Minimum fifty per cent to Retail Individual Investors; and*
 - b) *Remaining to: (i) Individual Applicants other than Retail Individual Investors; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above maybe allocated to the applicants in the other category.*

If the Retail Individual Investor category is entitled to more than fifty per cent on proportionate basis, accordingly the Retail Individual Investors shall be allocated that higher percentage.

For further details please refer to section titled "**Issue Structure**" beginning on page 300 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "**Other Financial Information**" on page 251. The following tables set forth the summary financial information derived from the Restated Consolidated Financial Statement and Restated Standalone Financial Statement of our Company.

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

| S. No. | Particulars | March 31, 2022 | March 31, 2022 |
|------------|---|----------------|----------------|
| I. | Equity and Liabilities | | |
| 1 | Shareholders' fund | | |
| | Share Capital | 46.00 | 1.00 |
| | Reserves and Surplus | 41.73 | (54.46) |
| | Minority Interest | - | - |
| | | 87.73 | (53.46) |
| 2 | Non-Current Liabilities | | |
| | Long Term Borrowings | 19.88 | 25.07 |
| | Deferred tax liabilities (Net) | 3.91 | 0.58 |
| | Long Term Provisions | 3.32 | 1.20 |
| | | 27.11 | 26.85 |
| 3 | Current Liabilities | | |
| | Short Term Borrowings | 1714.80 | 1096.75 |
| | Trade Payables | | |
| | -Total outstanding dues of micro enterprises and small enterprises | 68.55 | 179.58 |
| | -Total outstanding dues of creditors other than micro enterprises and small enterprises | 88.06 | 58.18 |
| | Other Current Liabilities | 115.31 | 125.17 |
| | Short Term Provisions | 0.36 | 0.35 |
| | | 1987.09 | 1460.03 |
| | TOTAL | 2101.93 | 1433.42 |
| II. | Assets | | |
| 1 | Non-current assets | | |
| | Property, Plant and Equipment and Intangible Assets | | |
| | -Property, Plant and Equipment | 759.50 | 633.36 |
| | -Capital Work in Progress | 447.15 | 447.15 |
| | Non- Current Investment | - | - |
| | Long Term Loans & Advances | 139.79 | 72.23 |
| | Other Non-Current Assets | 86.94 | 26.70 |
| | | 1433.37 | 1179.44 |
| 2 | Current Assets | | |
| | Trade Receivables | 220.12 | 120.23 |
| | Cash and Bank Balances | 102.79 | 14.33 |
| | Short Term Loans and Advances | 344.50 | 118.43 |
| | Other Current Assets | 1.14 | 0.99 |

| | | | |
|--|--------------|----------------|----------------|
| | | 668.56 | 253.98 |
| | TOTAL | 2101.93 | 1433.42 |

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

| S. No. | Particulars | March 31, 2022 | March 31, 2022 |
|---------------|--|-----------------------|-----------------------|
| A | Income | | |
| | Revenue from operations | 1201.10 | 635.49 |
| | Other Income | 5.16 | 1.95 |
| | Total Income (I) | 1206.25 | 637.44 |
| B | Expenses | | |
| | Direct Expenses | 189.43 | 150.81 |
| | Employee Benefit Expense | 395.93 | 137.22 |
| | Finance costs | 31.93 | 1.08 |
| | Depreciation & Amortization | 50.77 | 34.79 |
| | Other Expenses | 489.59 | 274.89 |
| | Total expenses (II) | 1157.64 | 598.79 |
| C | Profit before tax | 48.61 | 38.65 |
| D | Tax expenses | | |
| | Current tax | 3.08 | - |
| | Deferred Tax Liability/(Assets) | 3.34 | 23.34 |
| | Tax expense | 6.42 | 23.34 |
| E | Profit/(loss) for the Period from continuing operations | 42.19 | 15.31 |
| F | Profit Attributable to | | |
| | -Holding Company | 42.19 | 15.61 |
| | -Non-Controlling Interest | - | (0.30) |
| G | Restated Earnings per equity share | | |
| | *Nominal value of share Rs.10+ | | |
| | Basic | 20.73 | 156.10 |
| | Diluted | 20.73 | 156.10 |

RESTATED CONSOLIDATED STATEMENT OF CASH FLOW

| Particulars | March 31, 2022 | March 31, 2022 |
|---|-----------------|-----------------|
| Cash Flow from Operating Activities | | |
| Net Profit Before Tax | 45.53 | 38.65 |
| Add: Depreciation | 50.77 | 34.79 |
| Add: Finance Cost | 31.93 | 1.08 |
| Add: Provision for Gratuity | 2.12 | 0.41 |
| Less: Liability Written off | (4.04) | (0.09) |
| Less: Accrued Income | (0.04) | |
| Add: Bad Debts | 0.35 | 0.11 |
| Operating Profit before Working Capital Changes | 126.61 | 74.94 |
| Changes in working Capital requirements | | |
| (Increase)/Decrease in Trade receivable | (100.24) | (70.64) |
| (Increase)/Decrease in Other Assets | (100.11) | (0.95) |
| Increase/(Decrease) in other Current Liabilities | (5.82) | 92.27 |
| Increase/(Decrease) in Trade Payable | (81.14) | 118.94 |
| Increase/(Decrease) in Short Term Provision | - | 0.06 |
| (Increase)/Decrease in Loans and Advances | (236.17) | (38.21) |
| (Increase)/Decrease in security deposit | (60.24) | |
| | (457.11) | 176.41 |
| Less:(Taxes Paid) /Refunded | (57.46) | (41.14) |
| Cash Flow from Operating Activities (A) | (514.57) | 135.27 |
| Cash Flow from Investing Activities | | |
| Purchase Of Property, Plants & Equipment's | (176.91) | (605.98) |
| Minority Interest | | 0.30 |
| Cash Flow from Investing Activities (B) | (176.91) | (605.68) |
| Cash Flow from Financing Activities | | |
| Issue of Share Capital | 45.00 | - |
| Proceeds from security premium | 54.00 | - |
| Proceed from Long Term Borrowing | - | - |
| Repayment of Long-Term Borrowings | (5.19) | (614.46) |
| Increase/(Decrease) in Short Term Borrowings | 618.05 | 1097.41 |
| Finance Cost | (31.93) | (1.08) |
| Cash Flow from Financing Activities (C) | 679.93 | 481.88 |
| | | |
| Cash & Bank Balance During the Year | (11.54) | 11.46 |
| Add: Cash & Bank Balance Last Year | 14.33 | 2.87 |
| Total Cash & Bank Balance | 2.79 | 14.33 |
| Components Of Cash and Bank Balance in Balance Sheet | | |
| | | |
| Balance with Bank and cash | 2.79 | 14.33 |
| Total Cash & Bank Balance | 2.79 | 14.33 |

RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

| S. No. | Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|-----------|--|----------------|----------------|----------------|
| I | Equity and Liabilities | | | |
| 1 | Shareholders' fund | | | |
| | Share Capital | 540.75 | 46.00 | 1.00 |
| | Reserves and Surplus | 445.77 | 143.61 | (23.96) |
| | | 986.52 | 189.61 | (22.96) |
| 2 | Non-Current Liabilities | | | |
| | Long Term Borrowings | 1033.69 | 19.88 | 25.07 |
| | Deferred tax liabilities (Net) | 59.46 | 38.35 | 0.58 |
| | Long Term Provisions | 6.67 | 3.32 | 1.20 |
| | | 1099.81 | 61.54 | 26.85 |
| 3 | Current Liabilities | | | |
| | Short Term Borrowings | 1310.98 | 1708.80 | 1096.75 |
| | Trade Payables | | | |
| | Total outstanding dues of micro enterprises and small enterprises | 95.45 | 68.66 | 179.58 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 271.85 | 81.55 | 54.65 |
| | Other Current Liabilities | 188.28 | 109.40 | 124.72 |
| | Short Term Provisions | 2.71 | 0.30 | 0.29 |
| | | 1869.28 | 1968.71 | 1455.99 |
| | TOTAL | 3955.61 | 2219.86 | 1459.88 |
| II | Assets | | | |
| 1 | Non-current assets | | | |
| | Property, Plant and Equipment and Intangible Assets | | | |
| | (a) Property, Plant and Equipment | 1366.50 | 756.81 | 633.36 |
| | (b) Capital Work in Progress | 1485.20 | 447.15 | 447.15 |
| | Non- Current Investment | - | 0.70 | 0.70 |
| | Deferred tax assets (net) | - | - | - |
| | Long Term Loans & Advances | 110.93 | 166.05 | 72.23 |
| | Other Non-Current Assets | 133.95 | 86.94 | 26.70 |
| | | 3096.57 | 1457.65 | 1180.14 |
| 2 | Current Assets | | | |
| | Trade Receivables | 582.57 | 219.28 | 120.23 |
| | Cash and Bank Balances | 34.59 | 101.86 | 13.14 |

| | | | | |
|--|-------------------------------|----------------|----------------|----------------|
| | Short Term Loans and Advances | 230.50 | 439.93 | 145.38 |
| | Other Current Assets | 11.38 | 1.14 | 0.99 |
| | | 859.04 | 762.21 | 279.74 |
| | TOTAL | 3955.61 | 2219.86 | 1459.88 |

RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

| S. No. | Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|----------|----------------------------------|----------------|----------------|----------------|
| A | Income | | | |
| | Revenue from operations | 1913.66 | 1196.57 | 635.49 |
| | Other Income | 21.47 | 5.16 | 1.95 |
| | Total Income (I) | 1935.13 | 1201.73 | 637.44 |
| B | Expenses | | | |
| | Direct Expenses | 424.73 | 189.43 | 150.81 |
| | Employee Benefit Expense | 365.67 | 335.63 | 128.14 |
| | Finance costs | 69.65 | 31.92 | 1.08 |
| | Depreciation & Amortization | 84.44 | 49.84 | 34.79 |
| | Other Expenses | 593.42 | 440.49 | 253.17 |
| | Total expenses (II) | 1537.91 | 1047.30 | 567.99 |
| C | Profit before tax | 397.22 | 154.43 | 69.45 |
| D | Tax expenses | | | |
| | Current tax | 79.20 | 3.08 | - |
| | Deferred Tax Liability/(Assets) | 21.11 | 37.77 | 23.34 |
| | Tax expense | 100.31 | 40.85 | 23.34 |
| | Profit for the year | 296.91 | 113.57 | 46.11 |
| E | Earnings per equity share | | | |
| | *Nominal value of share Rs.10+ | | | |
| | Basic Earning Per Share | 7.45 | 7.97 | 65.87 |
| | Diluted Earning Per Share | 7.45 | 7.97 | 65.87 |

RESTATED STANDALONE STATEMENT OF CASH FLOW

(Rs. In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Cash Flow from Operating Activities | | | |
| Net Profit Before Tax | 397.22 | 154.43 | 69.45 |
| Add: Depreciation | 84.44 | 49.84 | 34.79 |
| Add: Finance Cost | 69.65 | 31.92 | 1.08 |

| | | | |
|--|------------------|-----------------|-----------------|
| Add: Gratuity Expense | 5.52 | 2.12 | 0.41 |
| Less: Liability Written Back | (15.63) | (4.04) | (0.09) |
| Less: Interest Income | 0.02 | (0.04) | - |
| Add: Bad Debts | 0.46 | 0.35 | 0.11 |
| Operating Profit before Working Capital Changes | 541.66 | 234.57 | 105.74 |
| Changes in working Capital requirements | | | |
| (Increase)/Decrease in Trade receivable | (363.74) | (99.41) | (70.64) |
| (Increase)/Decrease in Other Assets | 42.73 | (160.35) | (0.99) |
| (Increase)/Decrease in Loans and advances | 239.53 | (331.14) | (65.16) |
| Increase/(Decrease) in other Current Liabilities | 94.51 | (11.28) | 91.82 |
| Increase/(Decrease) in Short Term Provision | 0.26 | - | - |
| Increase/(Decrease) in Trade Payable | 217.09 | (84.02) | 115.40 |
| | 772.04 | (451.63) | 176.17 |
| Less:(Taxes Paid) /Refunded | (54.18) | (60.30) | (41.14) |
| Cash Flow from Operating Activities (A) | 717.86 | (511.94) | 135.03 |
| Cash Flow from Investing Activities | | | |
| Purchase Of Property, Plants & Equipments | (1732.17) | (173.29) | (605.98) |
| Sale Of Property, Plants & Equipments | - | - | |
| Sale/(Purchase) of Investments | 0.70 | - | (0.70) |
| Cash Flow from Investing Activities (B) | (1731.47) | (173.29) | (606.68) |
| Cash Flow from Financing Activities | | | |
| Issue of Share Capital | 31.25 | 45.00 | |
| Proceeds from Security Premium Reserve | 468.75 | 54.00 | |
| Repayment of Long -Term Borrowings | - | (5.19) | (613.76) |
| Proceed from Long Term Borrowing | 1013.81 | - | |
| Change in Short term Borrowings | (397.82) | 612.05 | 1096.75 |
| Finance Cost | (69.65) | (31.92) | (1.08) |
| Cash Flow from Financing Activities (C) | 1046.35 | 673.94 | 481.92 |
| | | | |
| Net Increase/(Decrease) in Cash and Bank Balance A+B+C | 32.73 | (11.28) | 10.27 |
| Add: Cash & Cash Equivalents as at the beginning of the year | 1.86 | 13.14 | 2.87 |
| Cash & Cash Equivalents as at the end of the year | 34.59 | 1.86 | 13.14 |

GENERAL INFORMATION

Our Company was originally incorporated as a Private Limited Company in the name of “**Qualitek Labs Private Limited**” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated May 17, 2018 issued by Registrar of Companies, Delhi bearing Corporate Identification Number U74999DL2018PLC334105. The registered office of our company is situated at 73, National Park Lajpat Nagar- IV New Delhi, South Delhi 110024 India.

For details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled “**Our History and Certain Other Corporate Matters**” beginning on page 151 of this Draft Prospectus.

REGISTERED AND CORPORATE OFFICE OF OUR COMPANY

Registered office of our company QUALITEK LABS LIMITED-
73, National Park Lajpat Nagar- IV New Delhi, South Delhi
110024 India.

Tel: 011-41729056/57

Email: info@qualiteklab.com

Website: www.qualiteklab.com

Corporate Identification Number: U74999DL2018PLC334105

Company Registration Number: 334105

Corporate office of our company QUALITEK LABS LIMITED-
C-40, near Nexa showroom, Block C, Sector 57,
Noida, Uttar Pradesh 201301

Tel: 0120 4336939

Email: company.secretary@qualiteklab.com

Contact Person: Ashima Bhatnagar

REGISTRAR OF COMPANIES

Registrar of Companies, Delhi

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

BSE Limited

(SME Platform of BSE Limited) (“BSE SME”)

P J Towers, Dalal Street, Fort, Mumbai– 400001, Maharashtra.

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets out details regarding our Board as on the date of this Draft Prospectus:

| S. No | Name | DIN | Address | Designation |
|-------|--------------------|----------|--|------------------------|
| 1. | ANTARYAMINAYAK | 07232463 | C-249, Near APJ School, Sheikh Sarai, Phase 1, New Delhi, South Delhi, Delhi 110017 | Managing Director |
| 2. | ALOK KUMAR AGARWAL | 02713687 | 166 SFS Apartment, Hauz Khas S.O., South West Delhi, Delhi - 110016 | Non-Executive Director |
| 3. | KAMAL GROVER | 07429267 | House no. 472, 1 st floor, Sector 2, Panchkula, Sector 8, Panchkula, Haryana - 134109 | Whole Time Director |
| 4. | SULABH JAIN | 07739598 | F-225 U/G/F, Main Mangal Bazar, Laxmi Nagar, East Delhi, Delhi- 110092 | Independent Director |
| 5. | SHUBHANGI AGARWAL | 08135535 | B 3/22 Third Floor, Rana Pratap Bagh, PO: Malka Ganj, District: North Delhi, Delhi - 110007 | Independent Director |
| 6. | MANISH WAHI | 09785936 | Plot No. 898, FF-4, Niti Khand 1, Indirapuram, Near Orange County, Shipra Sun City, Ghaziabad, Uttar Pradesh, 201014 | Independent Director |

For further details of our Directors, please refer to the chapter titled ***“Our Management”*** beginning on page 156 of this Draft Prospectus.

CHIEF FINANCIAL OFFICER

Navneet Gupta

Address: C-40, near Nexa showroom, Block C, Sector 57, Noida-201301, Uttar Pradesh
Tel: +91 9899362089
Email: info@qualiteklab.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Ashima Bhatnagar

Address: C-40, near Nexa showroom, Block C, Sector 57, Noida-201301, Uttar Pradesh
Tel: 0120 4336939
Email: company.secretary@qualiteklab.com

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, 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, Applicants may also write to the LM or the Registrar in the following manner:

All issue related grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted. The Applicant should give full details such as name of the sole or First Applicant, Application Form number, Applicant DP ID, client ID, PAN, date of the Application form, address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the ASBA Applicant and ASBA Account number (for Applicants other than RIIs 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 grievances relating to the UPI mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank if the Application was submitted to a SCSBs at any of the Specified Locations, or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or First Applicant, Application Form number, address of the Applicant, Applicant's DP ID, client ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the SCSBs or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Application was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Application Amount was blocked.

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 Applicant whose 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, Applicant may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

STATUTORY AND PEER REVIEW AUDITOR

J Madan & Associates

Address: Shop no.-25 &33, LSC DDA Market,
Block M1, Vikaspuri New Delhi – 110018

Tel: 011-45508516

Email: jmadanassociates@gmail.com

Website: www.jmadan.in

Contact Person: Naveen Kumar

Firm Registration No: 025913N

Peer Review Number:014632

J Madan & Associates, Chartered Accountants holds a peer review certificate dated October 07, 2022 issued at New Delhi by the ICAI.

LEAD MANAGER

Oneview Corporate Advisors Private Limited

Address: Bajaj Bhawan, Room No. 111, 11th Floor,
Nariman Point, Mumbai -400021

Tel: +91- 22- 43472247

Email: mbd@oneviewadvisors.com

Website: www.oneviewadvisors.com

Contact Person: Alka Mishra

SEBI Registration No: INM 000011930

REGISTRAR TO THE ISSUE

Skyline Financial Services Pvt.Ltd.

Address: D-153 A, First Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020

Tel: 011-40450193-197

Fax: 011 -26812683

Website: www.skylinerta.com

Email: ipo@skylinerta.com

Investor Grievance ID:grievances@skylinerta.com

Contact Person: Mr. Anuj Rana

SEBI Registration Number: INR000003241

LEGAL ADVISOR TO THE ISSUE

Chir Amrit Corporate LLP

202, SNS Square Business Zone,
2nd Floor, Opp. Reliance Market,
Vesu Main Road, Surat- 395007

Tel: +91-0261-3101534/ +91-9829500420

Website: www.chiramritlaw.com

E-mail: ritu@chiramritlaw.com

Contact Person: Ms. Ritu Soni

BANKER TO THE COMPANY

Kotak Mahindra Bank

Address: Empire Estate Chinchwad Pune- 411019

Tel: + 91 8952847278

E-mail: Prateek.bhargava1@kotak.com

Contact Person: Mr. Prateek Bhargava
Website: www.kotakmahindrabank.com

BANKER TO THE ISSUE / REFUND BANKER / SPONSOR BANK

[●]
Address: [●]
Tel: [●]
Fax No.: [●]
E-mail: [●]
Contact Person: [●]
Website: [●]
SEBI Registration No: [●]

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available 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 a RII using the UPI Mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time.

Syndicate SCSB Branches

In relation to applications (other than applications by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the specified locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Applicants can submit Application Forms in the Issue using the stock broker's network of the Stock Exchanges, through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the 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 Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, and updated from time to time.

INTER – SE ALLOCATION OF RESPONSIBILITIES

Since Oneview Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Manager is not applicable.

CREDIT RATING

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

IPO GRADING

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, no credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since this Issue Size is less than Rs. 10,000 Lakhs, our Company has not appointed any monitoring agency for 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. Further, the Company has not appointed any appraisal agency for this Issue.

FILING OF ISSUE DOCUMENT

The Draft Prospectus is being filed with BSE Limited, P J Towers, Dalal Street, Fort, Mumbai– 400001, Maharashtra.

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

A copy of the Prospectus along with the documents required to be filed will be delivered to the Registrar of Companies, Delhi, situated at Tower, 61, Nehru Place, New Delhi – 110019 and a copy of Prospectus shall be filed under Section 26 of the Companies Act, 2013 to Registrar of Companies, Delhi.

UNDERWRITER

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated *●] and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

| | | | (Rs. in Lakhs) |
|---|---|---------------------|--|
| Name and Address of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten | % of the Total Issue size Underwritten |
| [●]* [●] Tel: +91 – [●] Fax: +91 – [●] Email: [●] Contact Person: [●] SEBI Registration No: [●] | Upto [●] | [●]* | [●] |
| Total | [●] | [●] | [●] |

*Includes upto [●] Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

| Name of Auditor | Date of Change | Reason for Change |
|--|-----------------------|---|
| M/s SAPR & Co. LLP Chartered Accountants B-502, B Wing Statesman House, 147 Barakhamba Road, New Delhi – 110001 Email: info@sapr.co.in Firm Registration No: N500111 | 26/12/2022 | Lower fees proposed by the Company for the engagement as compared to the expectations of the Auditor. |
| M/s J Madan & Associates Chartered Accountants Shop no. 25 & 33, LSC DDA Market, Block M-1, Vikaspuri, New Delhi – 110018 Email: jmadanassociates@gmail.com Firm Registration No: 025913N | 31/03/2023 | Completion of term of appointment under the provisions of Section 139 (2) of the Companies Act, 2013. |

GREEN SHOE OPTION

Green shoe option is not applicable to the present issue.

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into a Market Making agreement dated [●], with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

[●] **

[●]

Tel: [●]

Fax: [●]

E-mail: [●]

Website: [●]

Contact Person: [●]

SEBI Registration No.: [●]

Market Maker Registration No.: (SME Platform of BSE Limited): [●]

***The Market Maker shall be appointed prior to registering Prospectus with ROC.*

[●], registered with SME Platform of BSE Limited (“**BSE SME**”), will act as the Market Maker and has agreed to receive or deliver of 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 any amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2 – way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The Spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The Prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of BSE Limited and SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. 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 [●] of Issue Size (including the [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of [●] of issue size. As soon as the Shares of Market Maker in our Company reduce to [●] of Issue Size, the Market Maker will resume providing 2–way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, SME Platform of BSE Limited may intimate the same to SEBI after due verification.

6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by it.
7. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
8. On the first day of the listing, there will be pre – opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The shares 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 shares on the Stock Exchange.
9. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars.
10. 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 Rs. 250 crores, the applicable price bands for the first day shall be:
 - In case equilibrium price is discovered in the call auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the call auction, the price band in the normal trading session shall be 5% of the Issue price.

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

| S. No | Market price slab (In Rs.) | 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 |

11. 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.

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

In case of termination of the above – mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the 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 Corporate Office from 11.00 a.m. to 5.00 p.m. on Working Days.

13. SME Platform of BSE Limited will have all margins which are applicable on the BSE SME viz., Mark – To – Market, Value – At – Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. SME Platform of BSE Limited can impose any other margins as deemed necessary from time-to-time.
14. 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(s) in case he is not present in the market (offering two – way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

| Issue size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buyquote (including mandatory initial inventory of 5% of the Issue Size) |
|--------------------|--|--|
| Up to Rs. 20 Crore | 25% | 24% |

| | | |
|--------------------------------|-----|-----|
| Rs. 20 crores to Rs. 50 crores | 20% | 19% |
| Rs. 50 to Rs. 80 crores | 15% | 14% |
| Above Rs. 80 crores | 12% | 11% |

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/ SME Platform of BSE Limited from time to time.

16. 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.

CAPITAL STRUCTURE

The Share Capital of the Company as at the date of this Draft Prospectus, before and after the Issue, is set forth below.

(Rs. in Lakhs, except share data)

| Sr No. | Particulars | Aggregate value at face value | Aggregate value at Issue Price |
|-----------|--|-------------------------------|--------------------------------|
| A. | Authorized Share Capital | | |
| | 1,00,00,000 Equity Shares of Rs. 10/- each | 1000 | 10000 |
| B. | Issued, Subscribed and Paid-up Equity Share Capital before the Issue | | |
| | 54,07,500 Equity Shares of Rs. 10/- each | 540.75 | 5407.5 |
| C. | Present Issue in terms of the Draft Prospectus | | |
| | Fresh Issue of Upto 19,64,400 Equity Shares of face value of Rs. 10/- each | 196.44 | 1964.40 |
| | Which includes: | | |
| | reservation for Market Maker(s)- Upto 99,600 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 100/-per Equity Share | 9.96 | 99.60 |
| | Net Issue to the Public- Upto 18,64,800 Equity Shares of face value of Rs. 10/- each at a price of Rs 100/- per Equity Share | 186.48 | 1864.80 |
| D. | Issued, Subscribed and Paid-up Equity Share Capital after the Issue | | |
| | 73,71,900 Equity Shares of face value of Rs. 10/- each | 737.19 | 7371.90 |
| E. | Securities Premium Account | | |
| | Before the Issue | | 59.25 |
| | After the Issue | | 1827.21 |

*This Issue has been approved and authorized by the Board of Directors vide a resolution passed in their meeting held on April 29, 2023 and the fresh issue has been approved and authorised by the Shareholders of our Company vide a special resolution passed pursuant to the Companies Act, 2013 at the extraordinary general meeting held on May 2, 2023.

Class of Shares

The Company has only one class of share capital i.e. Equity Shares of Rs. 10.00/- each only and all Equity Shares are ranked *pari-passu* in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Prospectus. Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

For details in relation to the changes in the authorised share capital of our Company, please refer to section titled “History and Certain Corporate Matters – Changes in Memorandum of Association” on page 151 of this Draft Prospectus.

2. PAID-UP SHARE CAPITAL HISTORY OF OUR COMPANY

| Date of Allotment/ Fully Paid-up | No. of Equity Shares allotted | Face value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of allotment (bonus, swap etc.) | Cumulative number of Equity Shares | Cumulative Paid-up Share Capital (Rs.) |
|-------------------------------------|-------------------------------|------------------|-------------------|-------------------------|---|------------------------------------|--|
| On Incorporation | 10,000 | 10 | 10 | Cash | Subscription to MOA ^(2.1) | 10,000 | 1,00,000 |
| 26.10.2021 | 4,50,000 | 10 | 12 | Cash | Rights Issue ^(2.2) | 4,60,000 | 46,00,000 |
| 24.11.2022 | 3,12,500 | 10 | 160 | Cash | Conversion of loan into equity ^(2.3) | 7,72,500 | 77,25,000 |
| 01.12.2022 | 46,35,000 | 10 | - | Other than cash | Bonus Issue ^(2.4) | 54,07,500 | 5,40,75,000 |

2.1 Initial Allotment/Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

| Sr No. | Name of Allottees | No. of Equity Shares Allotted |
|--------------|------------------------------|-------------------------------|
| 1. | TIC Services Private Limited | 9999 |
| 2. | Alok Kumar Agarwal* | 01 |
| Total | | 10,000 |

*01 Equity Share to Alok Kumar Agarwal in the capacity of a nominee shareholder of TIC Services Private Limited

2.2 Right Issue of 4,50,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

| Sr No. | Name of Allottees | No. of Equity Shares Allotted |
|--------------|------------------------------|-------------------------------|
| 1. | TIC Services Private Limited | 4,50,000 |
| Total | | 4,50,000 |

2.3 Issue of 3,12,500 Equity Shares of face value of Rs. 10 each in lieu of and against the conversion of loan of Rs. 5,00,00,000/- as per the details given below:-

| Sr No. | Name of Allottees | No. of Equity Shares Allotted |
|--------|-------------------|-------------------------------|
|--------|-------------------|-------------------------------|

| | | |
|--------------|------------------------------|-----------------|
| 1. | TIC Services Private Limited | 3,12,500 |
| Total | | 3,12,500 |

2.4 Bonus Issue of 46,35,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

| Sr No. | Name of Allottees | No. of Equity Shares Allotted |
|--------------|------------------------------|-------------------------------|
| 1. | TIC Services Private Limited | 46,35,000* |
| Total | | 46,35,000* |

*No bonus shares have been issued to nominee shareholders as the benefit of any corporate action shall be provided to the beneficial owner i.e. our Promoter TIC Services Private Limited.

3. Except as mentioned below, Our Company has not issued any Equity Shares for consideration other than cash since its incorporation.

| Date of Allotment | Name of Allottees | Number of Equity Shares | Face Value per Equity Shares | Issue Price per Equity Shares | Reason of allotment | Benefit accrued to our Company |
|-------------------|------------------------------|-------------------------|------------------------------|-------------------------------|---------------------------------|--------------------------------------|
| 01.12.2022 | TIC Services Private Limited | 46,35,000 | 10 | - | Bonus Issue in the ratio of 6:1 | Capitalization of reserves & surplus |

4. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation of reserves.

5. Our Company has not made any allotment of Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Section 230-240 of the Companies Act, 2013 as on the date of the Draft Prospectus.

6. Except as mentioned below, Our Company has not issued Equity Shares at a price lower than the Issue price during a period of one year preceding the date of the Draft Prospectus.

| Date of Allotment | Name of Allottees | Number of Equity Shares | Face Value per Equity Shares | Issue Price per Equity Shares | Reason of allotment | Benefit accrued to our Company |
|-------------------|------------------------------|-------------------------|------------------------------|-------------------------------|---------------------------------|--------------------------------------|
| 01.12.2022 | TIC Services Private Limited | 46,35,000 | 10 | - | Bonus Issue in the ratio of 6:1 | Capitalization of reserves & surplus |

7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for

our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan 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.

8. The Company has not issued any convertible instrument like warrants, debentures etc. since its incorporation and there is no outstanding convertible instrument as on the date of filing of Draft Prospectus.
9. There are no Equity Shares against which depository receipts have been issued.
10. Other than the Equity Shares, there are no other classes of securities issued by the Company.
11. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up Equity Shares.
12. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
13. **SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP OF OUR COMPANY**

As on the date of this Draft Prospectus, our Promoter TIC Services Private Limited holds 54,07,500* Equity Shares of our Company which is 100% of our Pre-Issue Paid-Up Capital which includes 06 Equity Shares as held by the Nominee Shareholders, for which our Promoter TIC Services Private Limited is the beneficial owner.

Equity Shareholding of the Promoter and Promoter Group:

The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group” are as under:

| Sr No. | Name of the Shareholder | Pre-Issue | | Post-Issue | |
|-----------|---------------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| A) | Promoter | | | | |
| 1) | TIC Services Private Limited | 54,07,494 | 99.99 | 54,07,494 | 73.35 |
| 2) | Alok Kumar Agarwal [#] | 01 | Negligible | 01 | Negligible |
| 3) | Antaryami Nayak [#] | 01 | Negligible | 01 | Negligible |
| 4) | Kamal Grover [#] | 01 | Negligible | 01 | Negligible |
| | Sub Total (A) | 54,07,497 | 99.99 | 54,07,497 | 73.35 |

| B) | Promoter Group | | | | |
|-----------|---------------------------|------------------|--------------|------------------|--------------|
| 1) | Anju Agarwal [#] | 01 | Negligible | 01 | Negligible |
| | Sub Total (B) | 01 | Negligible | 01 | Negligible |
| | Total | 54,07,498 | 99.99 | 54,07,498 | 73.35 |

#Equity Shares held in the capacity of nominee shareholder of our Promoter, for which our Promoter TICServices Private Limited is the beneficial owner.

14. CAPITAL BUILD-UP OF OUR PROMOTER SHAREHOLDING IN THE COMPANY

| Date of Allotment /Transfer | No. of Equity Shares Allotted | Face Value (Rs.) | Issue Price (Rs.) | Name of Consideration | % of the Paid-up Capital | |
|--|-------------------------------|------------------|-------------------|------------------------------|--------------------------|--------------|
| | | | | | Pre-Issue | Post-Issue |
| A) TIC Services Private Limited | | | | | | |
| On Incorporation | 9999 | 10 | 10 | Cash | 0.18 | 0.14 |
| 26.10.2021 | 4,50,000 | 10 | 12 | Cash | 8.32 | 6.10 |
| 24.11.2022 | 3,12,500 | 10 | 160 | Conversion of loan of equity | 5.78 | 4.24 |
| 01.12.2022 | 46,35,000 | 10 | - | Bonus Issue | 85.71 | 62.87 |
| 29.04.2023 | (5) | 10 | 10 | Transfer ⁽ⁱ⁾ | Negligible | Negligible |
| Total (A) | 54,07,494 | | | | 99.99 | 73.35 |
| B) Alok Kumar Agarwal | | | | | | |
| On Incorporation | 01* | 10 | 10 | Subscription to MOA | Negligible | Negligible |
| Total (B) | 01 | | | | Negligible | Negligible |
| C) Antaryami Nayak | | | | | | |
| 29.04.2023 | 01* | 10 | 10 | Transfer ⁽ⁱⁱ⁾ | Negligible | Negligible |
| Total (C) | 01 | | | | Negligible | Negligible |
| D) Kamal Grover | | | | | | |
| 29.04.2023 | 01* | 10 | 10 | Transfer ⁽ⁱⁱ⁾ | Negligible | Negligible |
| Total (D) | 01 | | | | Negligible | Negligible |
| Total Promoter Holding | 54,07,497 | | | | 99.99% | |

** 01 Equity Share each to Alok Kumar Agarwal, Antaryami Nayak and Kamal Grover in the capacity of nominee shareholders of TIC Services Private Limited*

Notes:

- (i) Details of 05 Equity Shares transferred by our promoter TIC Services Private Limited by way of transfer deed executed on 29.04.2023

| Sr No. | Date of transfer | No. of Share transfer | Name of Transferee |
|--------|------------------|-----------------------|--------------------|
| 1. | 29.04.2023 | 01 | Antaryami Nayak |
| 2. | 29.04.2023 | 01 | Kamal Grover |
| 3. | 29.04.2023 | 01 | Anju Agarwal |
| 4. | 29.04.2023 | 01 | Faizan Ahmed |
| 5. | 29.04.2023 | 01 | Jaswant Singh |

- (ii) **Details of 02 Equity Shares having face value of Rs. 10/- each acquired by our Promoters Kamal Grover and Antaryami Nayak by way of transfer deed executed on 29.04.2023:**

| Sr No. | Date of transfer | Name of Transferor | No. of Share transfer | Name of Transferee |
|--------|------------------|------------------------------|-----------------------|--------------------|
| 1. | 29.04.2023 | TIC Services Private Limited | 01 | Antaryami Nayak |
| 2. | 29.04.2023 | TIC Services Private Limited | 01 | Kamal Grover |

All the Equity Shares held by our Promoters were and is fully paid-up on the respective dates of acquisition and/or transfers and/or allotment of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters are pledged.

Further, Our Promoters confirms that the acquisition and/or transfers and/or allotment of the Equity Shares forming part of the Promoter's contribution has been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by our Promoters for this purpose.

Details of Promoter's contribution and Lock-in

As per Regulation 236 and 238 of the SEBI (ICDR) Regulations, 2018, and in terms of the aforesaid table, an aggregate of 20% of the fully diluted Post-Issue Equity Share Capital of our Company held by our Promoters shall be provided towards minimum Promoters' contribution and locked in for a period of 3 (Three) years from the date of Allotment ('Minimum Promoter's Contribution'). The lock-in of the 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. The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoter's Contribution constituting 20.35% of the post issue Equity Shares of our Company and 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 public Issue. The Equity Shares which are being locked in for three (3) years from the date of Allotment are as follows:

| Date of Allotment of Fully Paid-up Shares | No. of Equity Shares Locked-in | Nature of Issue/ Acquisition | Face Value (Rs.) | Issue Price (Rs.) | % of the Paid-up Capital | |
|---|--------------------------------|------------------------------|------------------|-------------------|--------------------------|------------|
| | | | | | Pre-Issue | Post-Issue |
| A) TIC Services Private Limited | | | | | | |
| 18.05.2018 | 9,999 | Cash | 10.00 | 10.00 | 27.74%*# | 20.35%*# |
| 26.10.2021 | 4,50,000 | Cash | 10.00 | 22.00 | | |
| 01.12.2022 | 10,40,001 | Other than Cash | 10.00 | - | | |

* Out of this 1 share each is held by Mr. Alok Kumar Agarwal.

Further, the balance Equity Shares i.e. 39,07,500 shall be locked in for a period of One year from the date of allotment of Equity Shares

** Equity Shares held in the capacity of nominee shareholder of our Promoter, for which our Promoter TIC Services Private Limited is the beneficial owner.

The Minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018. The Equity Shares that are being locked-in are eligible for computation of Promoter Contribution under Regulation 237 of SEBI ICDR Regulations. In this connection, our Company hereby confirms that the Equity Shares locked-in do not consist of:

- The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Draft 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 Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Our Company has not been formed by the conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;
- The Equity Shares held by the Promoters and offered for minimum Promoter's Contribution are not subject to any pledge;
- The Equity Shares offered for Promoters' 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 Promoters' contribution subject to lock-in; and
- All the Equity Shares of our Company held by the Promoter are held in dematerialized form prior to filing of this Draft Prospectus.

Details of Share Capital of the Promoters Lock in for one year

In addition to 20% of the post issue capital of our company held by the Promoters, which will be locked-in for three years, the balance 39,07,497 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

Lock in of Equity Shares held by Persons other than the Promoters:

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 03 Equity Shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

Other requirements in respect of 'Lock-In'

Inscription or recording of non-transferability:

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the share certificates for the Equity Shares held in physical form, which are subject to lock-in, shall carry 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.

Pledge of Locked in Equity Shares:

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

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

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

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, 2018, may be transferred to and amongst Promoters or persons/ members of the

Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by persons other than the Promoters and Promoter Group prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

15. OUR SHAREHOLDING PATTERN

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this:

| Sr No. | Category of shareholders | No. of Share holders | No. | No. of Partly Paid-up Equity Shares held | No. of Shares underlying Depository Receipts | Total No. of Equity Shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | No. of Voting Rights held in each class of securities* | | No. of Shares Underlying Outstanding Convertible Securities (including Warrants) | Shareholding as a % assuming full convertible securities (as a % of diluted share capital) As a % of (A+B+C2) | No. Locked | | Shares Pledged or otherwise encumbered | | No. of Equity Shares held in dematerialised form |
|--------|---------------------------|----------------------|------------|--|--|---------------------------------|---|--|--------------------------|--|--|------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No. | Total as a % of (A+B+C2) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| I | II | III | IV | V | VI | VII=IV+V+VI | VIII | IX | | X | XI=VII+X | XII | | XIII | XIV | |
| A | Promoter & Promoter Group | 5* | 54,07,498* | - | - | 54,07,498* | 99.99 | 54,07,498* | 99.99 | - | 99.99 | - | - | - | 54,07,498 | |

| | | | | | | | | | | | | | | | |
|----------|--------------------------------|----------------|----------------|---|---|----------------|------------|----------------|------------|---|------------|---|---|---|----------------|
| B | Public | 2 [#] | 2 [#] | - | - | 2 [#] | Negligible | 2 [#] | Negligible | - | Negligible | - | - | - | 2 [#] |
| C | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 7 | 54,07,500 | - | - | 54,07,500 | 100 | 54,07,500 | 100 | - | 100.00 | - | - | - | 54,07,500 |

**including 04 Equity Shares held by the Nominee Shareholder, for which our Promoter TIC Services Private Limited is the beneficial owner.
#01 Equity Share each to Jaswant Singh and Faizan Ahmed in the capacity of nominee shareholders of TIC Services Private Limited
As on the date of this Draft Prospectus 1 Equity Share holds 1 vote. Furthermore, face value of Equity Shares is Rs. 10/- each.*

16. Aggregate shareholding of the promoter group and directors of the promoters where the promoter is a body corporate:

As on the date of this Draft Prospectus, our Promoter Group holds 01 Equity Share in the Company. Further, except as disclosed below, none of the directors of our Promoter hold any Equity Shares.

| Sr. No. | Name of the director | No. of Equity Shares held | % of pre-issue Equity Share capital |
|--------------|----------------------|---------------------------|-------------------------------------|
| 1. | Anju Agarwal | 01 | Negligible |
| 2. | Antaryami Nayak | 01 | Negligible |
| 3. | Kamal Grover | 01 | Negligible |
| Total | | 03 | Negligible |

17. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the 6 (Six) months preceding the date of this Draft Prospectus.
18. Except as disclosed in ***“Capital Build-up of our Promoter shareholding in the Company”*** on page no. 84, none of the Promoter, members forming a part of Promoter Group, Promoter Group Companies/Entities, Directors and their immediate relatives have purchased or sold or transferred any Equity Shares of our Company within the last 6 (Six) months immediately preceding the date of this Draft Prospectus.
19. For the details of transactions entered between our Company and members forming a part of the Promoter Group and/ or Group Companies/ Entities for the financial years ended on March 31, 2023, 2022 and 2021 refer to the chapter titled **‘Financial Statements as Restated’** beginning on page no. 187 of this Draft Prospectus.
20. Our Company shall ensure that transactions in the Equity Shares by the Promoter and members forming a part of the Promoter Group, if any, between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction being completed.
21. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or Shareholders or any other person any option to receive Equity Shares after the Issue.
22. **List of shareholders holding 1% or more of the paid up share capital of our Company aggregating to 80% or more of the paid-up share capital of the Company:-**

a) *List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on the date of this Draft Prospectus and end of last week from the date of Draft Prospectus:*

| Sr. No. | Name of the Shareholders | No. of Shares | % of the Pre-Issue Capital |
|---------|------------------------------|------------------|----------------------------|
| 1. | TIC Services Private Limited | 54,07,500* | 100 |
| | Total | 54,07,500 | 100 |

**including 06 Equity Shares held by the Nominee Shareholders, for which our Promoter TIC ServicesPrivate Limited is the beneficial owner*

- b) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on date 10 days prior to the date of this Draft Prospectus:**

| Sr. No. | Name of the Shareholders | No. of Shares | % of the Pre-Issue Capital |
|---------|------------------------------|------------------|----------------------------|
| 1. | TIC Services Private Limited | 54,07,500* | 100 |
| | Total | 54,07,500 | 100 |

**including 06 Equity Shares held by the Nominee Shareholders, for which our Promoter TIC ServicesPrivate Limited is the beneficial owner*

- c) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on date 1 year prior to the date of filing this Draft Prospectus:**

| Sr. No. | Name of the Shareholders | No. of Shares | % of the Pre-Issue Capital |
|---------|------------------------------|-----------------|----------------------------|
| 1. | TIC Services Private Limited | 4,60,000* | 100 |
| | Total | 4,60,000 | 100 |

**including 01 Equity Share held by the Nominee Shareholder, for which our Promoter TIC ServicesPrivate Limited is the beneficial owner*

- d) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on date 2 years prior to the date of filing this Draft Prospectus:**

| Sr. No. | Name of the Shareholders | No. of Shares | % of the Pre-Issue Capital |
|---------|------------------------------|---------------|----------------------------|
| 1. | TIC Services Private Limited | 10,000 | 100 |
| | Total | 10,000 | 100 |

**including 01 Equity Share held by the Nominee Shareholder, for which our Promoter TIC ServicesPrivate Limited is the beneficial owner*

23. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled '**Our Management**' beginning on page no. 156 of this Draft Prospectus.
24. There will be no further issue of capital, whether by way of issue of bonus shares, preferential

allotment, and rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares have been listed.

25. Our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use equity shares as a currency for acquisition or participation in such joint ventures or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
26. Our Company, our Promoter, our Directors and the Lead Manager to the Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
27. There are no safety net arrangements for this public issue.
28. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment. 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 our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in.
29. 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 no. 304 of this Draft Prospectus.
30. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
31. As per RBI regulations, OCBs are not allowed to participate in the Issue.
32. The Issue is being made through Fixed Price method.
33. Our Promoters and the members of our Promoter Group will not participate in this Issue
34. Our Company has not raised any bridge loan against the proceeds of the Issue.
35. An Applicant cannot make an application for more than the number of Equity Shares being issued

through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

36. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the Issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the Issue.
37. As on the date of filing of this Draft Prospectus, we have 7 Shareholders, of which 6 Shareholders holds Equity Share in the capacity of a nominee shareholder of our Promoter TIC Service Private Limited, for which our Promoter TIC Services Private Limited is the beneficial owner.
38. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
39. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company either directly or indirectly as on the date of this Draft Prospectus.

OBJECTS OF THE ISSUE

The Issue comprise of a fresh Issue of 19,64,400 Equity Shares of our Company at an Issue Price of Rs. 100/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Funding capital expenditure towards installation of plant and machinery for existing laboratories and forexpansion of laboratories;
2. Repayment of unsecured loans to Promoter;
3. Funding of working capital requirements; and
4. General corporate purposes.
5. Issue related expenses

(Collectively, herein referred to as the “**Objects**”)

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

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “**History and Certain Corporate Matters**” on page 151.

ISSUE PROCEEDS

The details of the Issue proceeds are summarized below:

| | (Rs. In lakhs) |
|---|----------------|
| Particulars | Amount |
| Gross proceeds of the Issue | 1964.40 |
| Less: Issue related expenses | (133.22) |
| Net proceeds of the Issue after deducting the Issue related expenses to be borne by our Company (“ Net Proceeds ”) | 1831.18 |

UTILIZATION OF NET PROCEEDS:

| | (Rs. In Lakhs) |
|---|----------------|
| Purpose | Net Proceeds |
| Funding capital expenditure towards installation of plant and machinery for existing laboratories and for expansion of laboratories | 622.38 |
| Repayment of unsecured loan to Promoter | 818.16 |
| Funding of working capital requirements | 250.00 |
| General corporate purposes* | 140.64 |
| Total | 1831.18 |

* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Prospectus, except for Issue related expenses, our Company had not deployed any funds towards the Objects of the Issue.

(Rs. In Lakhs)

| S.No. | Purpose | Amount to be funded from the Net Proceeds | Estimated utilization of Net Proceeds (F.Y. 2023-24) |
|-------|---|---|--|
| 1. | Funding capital expenditure towards installation of plant and machinery for existing laboratories and for expansion of laboratories | 622.38 | 622.38 |
| 2. | Repayment of unsecured loan to Promoter | 818.16 | 818.16 |
| 3. | Funding of working capital requirements | 250.00 | 250.00 |
| 4. | General corporate purposes | 140.64 | 140.64 |

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled **“Risk Factors”** beginning on page 30 of the Draft Prospectus.

MEANS OF FINANCE

We intend to finance our Objects of the Issue through Net Proceeds which are as follows:

(Rs. In Lakhs)

| Particulars | Total estimated amount | Amount to be funded from the Net Proceeds |
|---|------------------------|---|
| Funding capital expenditure towards installation of plant and machinery for existing laboratories and for expansion of laboratories | 622.38 | 622.38 |
| Repayment of unsecured loan to Promoter | 818.16 | 818.16 |
| Funding of working capital requirements | 250.00 | 250.00 |
| General corporate purposes | 140.64 | 140.64 |

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for

75% of the stated means of finance, excluding the Net Proceeds and existing identifiable internal accruals).

The fund requirement of our Company and the deployment of the Net Proceeds are currently based on current business plan and circumstances, management estimates, prevailing market conditions and other commercial and technical factors, which are subject to change from time to time. Consequently, the fund requirements of our Company are subject to revisions in future at the discretion of the management. In the event of any shortfall in the funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt financing. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other Objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS OF THE ISSUE

The details of the fresh issue are set out below:

1. Funding capital expenditure towards installation of plant and machinery for existing laboratories and for expansion of laboratories.

In order to expand our operations and to cater the demand of existing and new customers, our Company is required to make capital expenditure. Our company proposes to use part of Net Proceeds to the extent to Rs. 622.38 Lakhs to meet capital expenditure in relation to installation of below mentioned machines.

A detailed breakup of estimated cost towards the proposed capital expenditure to be funded from the Net Proceeds is set forth below:

| Sr. No. | Equipment details/Model | Quotation amount | Quotation amount.(Rs. in Lakhs)* | Name of Vendor | Date of quotation/performance Invoice | Validity/current status |
|-------------------------|--|------------------|----------------------------------|---|---------------------------------------|---------------------------------|
| Noida laboratory | | | | | | |
| 1. | PHH-402M temperature chamber (industrial oven) | JPY 1,481,000 | 8.44 | Sams Advanced Climatic Technologies Pvt. Ltd. | June 2023 26, | 180 days from the date of offer |
| 2. | TSA-103EL-A thermal shock chamber – EL Type | JPY 6,799,000 | 38.75 | Sams Advanced Climatic Technology | June 2023 26, | 180 days from the date of offer |

| | | | | | | |
|----|--|------------------|--------|---|------------------|----------|
| | | | | es Pvt.Ltd. | | |
| 3. | ARS-1100-AE environmental stress chamber-AR Series | JPY 4,620,000 | 26.33 | Sams Advanced Climatic Technologies Pvt. Ltd. | June 2023 26, | 180 days |
| 4. | <p>Itech Make: i.IT6018C-1500-40:-Bi-directional Programmable DC power supply;</p> <p>ii.IT6072C-1500-160:-Bi-directional Programmable DC power supply;</p> <p>iii.IT8015-80-450:-Programmable DC Electronic Load,</p> <p>iv.IT7815-350-90 :-350V/90A/15kVA,</p> <p>v.IT7830-350-180:-350V/180A/30kVA,</p> | - | 165.57 | Revine Technologies Pvt.Ltd. | July 2023 03, | 180 days |
| 5. | <p>QUV/Spray-Accelerated Weathering Tester,</p> <p>Other Accessories:</p> <p>i. UVA-340+ & UVB-313EL+ (Fluorescent Lamp),</p> <p>ii.UC10/UV (Irradiance Smart Sensor, UV)</p> | - | 20.99 | Khushboo Scientific Pvt. Ltd. | June 2023 17, | 180 days |

| | | | | | | |
|----|---|---|-------|-------------------------------|--------------|----------|
| 6. | <p>1. Q-Lab USA, Q- FOG CRH/1100- HSC – 1100 Litre chamber w/ salt fog, shower, and fully adjustable RH functions,</p> <p>Other Accessories:-i.F-9011-K (Test panel holder kit),</p> <p>2. UF1060 (Universal Oven-Memmert)</p> | - | 72.38 | Khushboo Scientific Pvt. Ltd. | June2023 26, | 180 days |
| 7. | IPX 7 Immersion Water Tank (round shape) | - | 3.25 | Aumson India | June2023 29, | 180 days |
| 8. | Aumson-DENV- 4000/2 dual temperature chamber | - | 34.00 | Synergy Instrument Solutions | June2023 26, | 180 days |
| 9. | <p>HD-B607-S High-Low Temperature Tensile Test Machine (TensilePart + Chamber Part)</p> <p>Auto Extensometer, Load Cell 1kN, 10kN, 20kN, Grips, Pneumatic jaw, Three-Point Bending Jaws, Compression Plates, 90 deg. & 180 deg. peel fixture.</p> | - | 17.08 | Higgs Boson Systems Pvt. Ltd. | June2023 15, | 180 days |

| | | | | | | |
|------------------------|--|-------------|-------|-------------------------------|---------------|----------|
| 10. | <p>HD-E703-150 Thermal Shock Test Chamber-Two Zone, HD-E702-1500K50 Climate Chamber, HD-B607-S High-Low Temperature Tensile Test Machine (Tensile Part + Chamber Part), Auto Extensometer, Load Cell 1kN,20kN, 10kN, Grips, Pneumatic jaw, Three-point bending jaws, compression plates, 90 deg. & 180 deg. Peel fixture and HD- E804-1000A Drying Oven with variable frequency controller for fan speed control</p> | - | 56.14 | Higgs Boson Systems Pvt. Ltd. | June2023 13, | 180 days |
| Pune Laboratory | | | | | | |
| 11. | <p>Automotive test system:- i. CAR-TEST-SYSTEM 14 I ii. CAR-PFS-Switch 80 I, 50A iii. Car A WG1200 40A DC 1MHz iv. Load Dump Generator PG 2804 v. Software Program CAR- Arbitrary WG and CAR SYS. For control of the CAR-Arbitrary WG and CAR-SYS with Ethernet PC-interface</p> | Euro 95'000 | 86.04 | Microtek EMC | July 2023 26, | 180 days |

| | | | | | | |
|-----|---|---|-------|----------------------------------|---------------|----------|
| | <ul style="list-style-type: none"> vi. 19" Lab Rack 20 U, 800 deep vii. Capacitive coupling clamp CDN 2012 viii. Burst Calibration Kit, BCK 400F ix. CAR Calibration Kit 0.5 - 50 Ohm x. DAkKS calibration ISO17025 calibration with certificate xi. Emergency stop xii. External warning lights RD/GN, 24V 40mA | | | | | |
| 12. | Supply, installation and commissioning of integrated environmental chamber for 6 Ton EDVS | - | 70.00 | Creative Environmental Solutions | July 2023 02, | 180 days |

| | | | | | | |
|-----|--|------------------|---------------|--|------------------|---------|
| 13) | S1000IP- Floor Standing Salt Spray Test Chamber(Premium Model) along-with other necessary items | GBP 22,111.00 | 23.41 | Unitron Instrument ation Technology | July 26, 2023 | 90 days |
| | Total | | 622.38 | | | |

**The amount mentioned is exclusive of goods and service tax. The miscellaneous expenditure such as labour charges, commissioning charges, freight, insurance, custom duty, fluctuation in cost at the time of actual order and other applicable taxes can be determined only at the time of placing of orders.*

Notes:

- a)** (1) (2) (3) The above quotation was received in JPY. Conversion rate: 1 JPY = 0.57 Rs. as on August 19, 2023.
- b)** (14) The above quotation was received in GBP. Conversion rate: 1 GBP = 105.89 Rs. as on August 19, 2023.
- c)** (12) The above quotation was received in Euro. Conversion rate: 1 Euro = 90.57 Rs. as on August 19, 2023.

The quotations received from the above vendors are valid as on the date of this Draft Prospectus. However, we have neither placed orders for the testing machineries nor entered into any definitive agreements with the supplier and there can be no assurance that the abovementioned supplier would be engaged to eventually provide the testing machineries at the same costs. If there is any increase in the cost of testing machineries, then additional costs shall be paid by our Company. Furthermore, if any surplus from the Net Proceeds remains after meeting the total cost of testing machineries for the aforesaid purpose, the same will be used for the repayment of unsecured loan to our Promoter, working capital requirements and for general corporate purposes.

We do not intend to purchase any second-hand equipment's in relation to this Object.

2. Repayment of unsecured loan to Promoter

We have availed unsecured loan from our Promoter namely TIC Services Private Limited. This loan was availed for the purpose of setting up of laboratory in Pune & Noida. For details of our outstanding loans, please refer to relevant schedules of Restated Standalone Financial Statements in the section **"Financial Statements as Restated"** on page 187 of the Draft Prospectus.

As of March 31, 2023, total unsecured loans outstanding were Rs. 838.16 lakhs out of which unsecured loans outstanding from Promoter (TIC Services Private Limited) were Rs. 818.16 lakhs. Our Company proposes to utilise an estimated amount of up to 818.16 from the Net Proceeds towards repayment of the unsecured loan availed by our Company.

Following are the details of the unsecured borrowing availed from TIC Services Private Limited, which

is proposed to be fully repaid by our Company from the Net Proceeds:

| Sr. No | Name of the Promoter | Outstanding Unsecured loans as on March 31, 2023 (Rs. In Lakhs) | *Purpose of availing unsecured loans | Interestrates (%p.a. | Repayment Terms |
|--------|------------------------------|---|--|----------------------|-------------------|
| 1. | TIC Services Private Limited | 818.16 | For setting up of laboratory in Pune & Noida | - | Payable on demand |
| | Total | 818.16 | | | |

**Certified by the Statutory Auditor, J Madan & Associates, Chartered Accountant, by way of their certificate dated August 21, 2023.*

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the Statutory Auditor certifying the utilization of loan for the purpose availed, our Company has obtained the requisite certificate dated August 21, 2023 for the loans to be repaid by our Company.

For further details in relation to our borrowings, please see “**Financial Indebtedness**” on page 260.

3. Funding of Working capital requirements

We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and releasing the internal accruals deployed in working capital. The funding of the incremental working capital requirements will lead to a consequent increase in our profitability, ability to utilize internal accruals for growth opportunities and achieving the proposed targets as per our businessplan.

Our Company proposes to utilize ₹ 250.00 lakhs of the Net Proceeds in Fiscal 2024 towards our Company’s working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals/Net worth. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same based on Restated Standalone Financial Statements are mentioned below:

| Sr. No. | Particulars | <i>(Rs. in Lakhs)</i> | | |
|---------|----------------|-------------------------------|----------------|----------------|
| | | Actual (Restated Standalone) | | Estimated |
| | | March 31, 2022 | March 31, 2023 | March 31, 2024 |
| 1. | Current Assets | | | |

| | | | | |
|-----------|--|---------------|---------------|----------------|
| | Trade receivables | 219.28 | 582.57 | 870.00 |
| | Short term loans and Advances | 439.93 | 230.50 | 320.00 |
| | Cash and Bank Balances | 101.86 | 34.59 | 95.00 |
| | Other current assets | 1.14 | 11.38 | 10.00 |
| | Total (A) | 762.21 | 859.04 | 1295.00 |
| 2. | Current Liabilities | | | |
| | Trade payables | 150.21 | 367.30 | 434.00 |
| | Other Current Liabilities | 109.40 | 188.28 | 202.00 |
| | Short Term Provisions | 0.30 | 2.71 | 11.00 |
| | Total (B) | 259.91 | 558.29 | 647.00 |
| 3. | Total Working capital gap (A-B) | 502.30 | 300.75 | 648.00 |
| 4. | Funding Pattern | | | |
| | Working capital funding from bank | 293.54 | 300.75 | 340.00 |
| | IPO Proceeds | N/A | N/A | 250.00 |
| | Internal accruals/net worth | 208.76 | - | 58.00 |

Assumptions for working capital requirement

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

| Particulars | Unit | FY 22 | FY 23 | FY 24 |
|-------------------|------|----------------|----------------|----------------|
| | | March 31, 2022 | March 31, 2023 | March 31, 2024 |
| Trade receivables | Days | 56 | 94 | 80 |
| Trade payables | Days | 84 | 124 | 120 |

Justification

| Sr. No | Particulars | Justification |
|--------|----------------|--|
| 1. | Trade Payables | Our company creditor's payment period of around 4.1 months for Fiscal year 2023 as compared to 2.8 Months for Fiscal 2022. We expect Creditor's payment period to be around 4 months depending upon the working capital requirements and prevailing market conditions. |

| | | |
|----|-------------------|--|
| 2. | Trade Receivables | Our Company has given credit facility of around 3.1 months for Fiscal 2023 as compared to 1.9 months for Fiscal 2022. Going forward, our Company intends to provide approx. 2.7 months credit facility to our debtors as per market needs. |
|----|-------------------|--|

4. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds earmarked for general corporate purposes. We intend to deploy the Net Proceeds aggregating Rs. 140.64 lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purposes including but not restricted to the following:

- a) Meeting operating expenses;
- b) the strengthening of our business development and marketing capabilities;
- c) Strategic initiatives; and
- d) On – going general corporate exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of general corporate purposes. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Prospectus, shall not exceed 25% of the amount being raised by our Company through this Issue, in compliance with SEBIICDR Regulations.

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 the Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

5. Issue Related Expenses

The total estimated Issue related expenses are Rs. 133.22 Lakhs, which is 6.78% of the total Issue size. The details of the Issue related expenses are tabulated below:

| Particulars | Expenses (Rs. in Lakhs) | As % of total expenses | As % of gross proceeds |
|--|-------------------------|------------------------|------------------------|
| Fees Payable to Lead Manager including underwriting commission | 116.22 | 87.24 | 5.92 |
| Fees Payable to Registrar to the Issue | 0.50 | 0.38 | 0.03 |
| Fees Payable to Legal Advisors | 4.00 | 3.00 | 0.20 |
| Fees Payable to Regulators including Stock Exchanges | 2.50 | 1.88 | 0.13 |

| | | | |
|---|--------|--------|------|
| Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees, Printing & Stationary and Miscellaneous Expenses) | 10.00 | 7.51 | 0.51 |
| Total estimated Issue related expenses | 133.22 | 100.00 | 6.78 |

Notes:

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- a) SCSBs will be entitled to a processing fee of Rs. 1 per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.
- b) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be 0.001% on the Allotment Amount or Rs. 50.00 whichever is less on the Applications wherein shares are allotted.
- c) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- d) The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Offer in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
- e) Amount allotted is the product of the number of Equity Shares allotted and the Issue Price.

FUNDS DEPLOYED AND SOURCES OF FUNDS DEPLOYED

The fund deployed out of internal accruals up to August 19, 2023 is Rs. 3.00 Lakhs towards Issue related expenses vide certificate dated August 19, 2023 having UDIN: 23536759BGVWZZ3438 received from J Madan & Associates, Chartered Accountants and the same will be recouped out of Issue related expenses.

APPRAISAL BY APPRAISING AGENCIES

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

BRIDGE FINANCING FACILITIES

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

INTERIM USE OF FUNDS

Pending utilization of the Net Proceeds of the Issue for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the Net Proceeds of the Issue as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

MONITORING OF UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than Rs. 10,000 Lakhs as per Regulation 262 (1) of the SEBI ICDR Regulation, 2018. Our Board and Audit Committee will monitor the utilization of the Net Proceeds of the Issue through its Audit Committee and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant fiscal subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than stated in this Draft Prospectus, certified by Statutory Auditors of the Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Furthermore, in accordance with Regulation 32 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the Net Proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the Net Proceeds of the Issue from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

VARIATIONS IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, 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 postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the — postal ballot notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The postal ballot notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of

the jurisdiction where the Registered Office of the company is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

Except as disclosed in *“Repayment of unsecured loans to Promoter”* under heading **“Objects of the Issue”** on page no. 99, no part of the Net Proceeds will be paid by us to the Promoter and Promoter Group, the Directors, key management personnel or Group Companies, except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Other Financial Information**” beginning on page 30, 132 and 251 respectively of the Draft Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 10 times of the face value.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

1. Experienced promoters and management team
2. Established brand name
3. Customer Centric Services
4. Robust Technical Capability with Strong IT Infrastructure

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 132 of this Draft Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Standalone Financial Statements. For details, please refer section titled “**Other Financial Information**” on page 251 of this Draft Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

| Sr. No. | F.Y./Period | Basic & Diluted (₹) | Weights |
|---------|--------------------------------------|---------------------|----------|
| 1. | Financial Year ending March 31, 2023 | 7.45 | 3 |
| 2. | Financial Year ending March 31, 2022 | 7.97 | 2 |
| 3. | Financial Year ending March 31, 2021 | 65.87 | 1 |
| | Weighted Average | 17.36 | 6 |

Notes:

- a) The figures disclosed above are based on the Restated Standalone Financial Statements of the

Company.

- b) The face value of each Equity Share is ₹10.00.
- c) Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- d) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Standalone Financial Statements as appearing in Annexure IV.
- e) Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to Equity Shareholders /Weighted average number of equity shares outstanding during the year
- f) Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to Equity Shareholders /Weighted average number of diluted potential equity shares outstanding during the year.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 51/- to ₹ 52/- per Equity Share of Face Value of ₹ 10/- each fully paid up:

| Particulars | (P/E) Ratio |
|--|-------------|
| Based on Restated Standalone Financial Statements | |
| P/E ratio based on the Basic & Diluted EPS, as restated for year ending March 31, 2023 | 13.43 |
| P/E ratio based on the Weighted Average EPS, as restated. | 5.76 |

| Industry P/E Ratio* | (P/E) Ratio |
|-------------------------|--------------|
| Highest | 11.74 |
| Lowest | 11.74 |
| Industry Average | 11.74 |

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

Notes:

- a) The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- b) P/E Ratio of the peer company is based on the unaudited financial results for the year ended March 31, 2023 and stock exchange data dated 22-08- 2023.

3. Return on Net worth (RoNW)

| Sr. No. | Year | RONW (%) | Weights |
|---------|--------------------------------------|-------------|----------|
| 1. | Financial Year ending March 31, 2023 | 30.10 | 3 |
| 2. | Financial Year ending March 31, 2022 | 59.90 | 2 |
| 3. | Financial Year ending March 31, 2021 | (200.83) | 1 |
| | Weighted Average | 1.54 | 6 |

Notes:

- a) The figures disclosed above are based on the Restated Standalone Financial Statements of the Company.
- b) The RoNW has been computed by dividing restated net profit after tax (excluding exceptional

items) with restated Net worth as at the end of the year.

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

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

| Sr. No | NAV per Equity Share | (Amount in ₹) |
|--------|--------------------------------------|---------------|
| 1. | As at March 31, 2023 | 24.74 |
| 2. | As at March 31, 2022 | 13.31 |
| 3. | As at March 31, 2021 | (32.80) |
| 4. | NAV per Equity Share after the Issue | 40.03 |
| 5. | Issue Price | 100.00 |

**The above NAV has been calculated based on number of shares outstanding at the end of the year.*

Notes:

- a) *The figures disclosed above are based on the Restated Standalone Financial Statements of the Company.*
- b) *NAV per share=Restated Net worth at the end of the year divided by weighted average number of equity share outstanding at the end of the year.*
- c) *Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*
- d) *Issue Price per Equity Share is determined by our Company in consultation with the Lead Manager.*

5. Comparison of Accounting Ratios with Industry Peers

| Name of Company | Current Market Price (₹) | Face Value | EPS Basic/Diluted | PE | RoNW (%) | Book Value (₹) | Total Income(₹ In lakhs) |
|--------------------------|--------------------------|------------|-------------------|-------|----------|----------------|--------------------------|
| Qualitek Labs Limited | 100.00 | 10 | 7.45 | 13.43 | 30.10 | 24.74 | 1935.13 |
| Peer Group | | | | | | | |
| Choksi Laboratories Ltd. | 54.14 | 10 | 4.69 | 11.72 | 15.20 | 30.31 | 3,444.1 |

Notes:

- a) *Source – All the financial information for listed industry peers mentioned above is sourced from the Unaudited Financial Results of the aforesaid company for the year ended March 31, 2023 and stock exchange data dated August 22, 2023 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of Equity Share.*
- b) *Further, P/E Ratio is based on the current market price of the respective scrips.*
- c) *The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Standalone Financial Statement for the Financial Year 2022-23.*

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee August 21, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by M/s. J Madan & Associates, Chartered Accountants, by their certificate dated August 21, 2023.

The KPIs of our Company have been disclosed in the sections titled **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on page 252. We have described and defined the KPIs as applicable in **“Definitions and Abbreviations”** on page 1.

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

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Revenue from Operations ⁽¹⁾ | 1,913.66 | 1,196.57 | 635.49 |
| EBITDA ⁽²⁾ | 551.30 | 236.18 | 105.31 |
| EBITDA Margin ⁽³⁾ | 28.81% | 19.74% | 16.57% |
| PAT ⁽⁴⁾ | 296.91 | 113.57 | 46.11 |
| PAT Margin ⁽⁵⁾ | 15.52% | 9.49% | 7.26% |
| RoE(%) ⁽⁶⁾ | 50.49% | 181.61% | -105.39% |
| RoCE (%) ⁽⁷⁾ | 13.76% | 9.34% | 6.38% |

⁽¹⁾ Revenue from operation means revenue from supply of service

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income ⁽³⁾ EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses

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

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total borrowings ,current & non-current-.

Explanation for KPI metrics:

| KPI | Explanations |
|-------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| RoE(%) | RoE provides how efficiently our Company generates profits from shareholders' funds. |
| RoCE (%) | RoCE provides how efficiently our Company generates earnings from the capital employed in the business. |

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

(₹ In Lakhs except percentage and ratios)

| Key Financial Performance | Qualitek Labs Limited | | | Choksi Laboratories Limited | | |
|--|-----------------------|------------|------------|-----------------------------|------------|------------|
| | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
| Revenue from operations ⁽¹⁾ | 1913.66 | 1196.57 | 635.49 | 3,444.10 | 3,004.21 | 2,568.80 |
| EBITDA ⁽²⁾ | 551.30 | 236.18 | 105.31 | 1,271.10 | 900.37 | 456.85 |
| EBITDA Margin (%) ⁽³⁾ | 28.81 | 19.74% | 16.57% | 36.91% | 29.97% | 17.78% |
| PAT ⁽⁴⁾ | 296.91 | 113.57 | 46.11 | 321.00 | 20.70 | - 260.77 |
| PAT Margin (%) ⁽⁵⁾ | 15.52 | 9.49 | 7.26 | 9.32% | 10.69% | -10.15% |
| RoE(%) ⁽⁶⁾ | 50.49 | 136.30 | -105.39 | 16.46% | 1.16% | -13.74% |
| RoCE (%) ⁽⁷⁾ | 13.76 | 9.34 | 6.38 | 14.02% | 6.79% | -0.06% |

⁽¹⁾ Revenue from operation means revenue from supply of service

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income ⁽³⁾ EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses

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

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings, current & non-current.

8. Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of Equity Shares. The details of the Equity Shares other than Equity Shares issued pursuant to a bonus issue on December 01, 2022, during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance") are as follows:

| Date of Allotment | Name of Allottee | Number of shares transacted | Issue price per Share (₹) | Nature of Allotment | Nature of Consideration | Total Consideration (₹ In Lakhs) |
|-------------------|------------------------------|-----------------------------|---------------------------|--|-------------------------|----------------------------------|
| 24.11.2022 | TIC Services Private Limited | 3,12,500 | 160 | Conversion of Unsecured loan into equity | Other than Cash | 500.00 |

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

Weighted average cost of acquisition & Issue price

| Types of transactions | Weighted average cost of acquisition (₹ per Equity Shares)* | Issue Price (₹100) |
|--|---|--------------------|
| Weighted average cost of acquisition of primary/ new issue as per paragraph 8(a) above. | 160 | 0.63 |
| Weighted average cost of acquisition for secondary sale/acquisition as per paragraph 8(b) above. | NA [^] | NA [^] |

**As certified by M/s J Madan & Associates, Chartered Accountants, by way of their certificate dated August 21, 2023.

[^]There were no secondary sale/ acquisitions of shares (equity/ convertible securities) as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Prospectus.

THE ISSUE PRICE IS 10.00 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

The face value of our share is ₹10/- per share and the Issue Price is of ₹ 100/- per share are 10.00 times of the face value. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 100/- per share for the Public Offer is justified in view of the above quantitative and qualitative parameters. Investor should read the abovementioned information along with the section titled “**Risk Factors**” beginning on page 30 of this Draft 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 187 of this Draft Prospectus.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors

Qualitek Labs Limited

(Formerly known as “Qualitek Labs Private limited”)

73 National Park, Lajpat Nagar IV, New Delhi,

South Delhi DL, 110024 IN

Dear Sirs,

Sub: Statement of possible special tax benefits available to Qualitek Labs Limited (CIN: U74999DL2018PLC334105) (“the Company”) and its shareholders under direct and indirect tax laws

We refer to the proposed initial public offering of equity shares (the “Offer”) of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2023-2024 relevant to the financial year 2022-23 for inclusion in the Draft Prospectus/Prospectus for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the RHP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

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

For J Madan & Associates

Chartered Accountants

ICAI Firm Registration Number: 025913N

Sd/-

Naveen Kumar

Partner

Membership No: 536759

UDIN: 23536759BGVXAD4404

Place: New Delhi

Date: 21.08.2023

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (**'the Act'**), as amended by Finance Act, 2022 i.e., applicable for Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India.

A. SPECIAL TAX BENEFITS TO THE COMPANY

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has applied section 115BAA for the assessment year 2023- 24.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (**"GST law"**), the Customs Act, 1962, Customs Tariff Act, 1975 (**"Customs law"**) and Foreign Trade Policy 2015-2020 (**"FTP"**) (collectively referred as **"Indirect Tax"**).

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

For J Madan & Associates

Chartered Accountants

ICAI Firm Registration Number: 025913N

Sd/-

Naveen Kumar

Partner

Membership No: 536759

UDIN: 23536759BGVXAD4404

SECTION VIII – ABOUT US

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue complete reliance on the information provided and shall read this Draft Prospectus, including the information contained in the section titled “Risk Factors” “Our Business” and “Financial Statements as Restated” and related notes beginning on page 30, 132 and 187 respectively before deciding to invest in our Equity Shares.

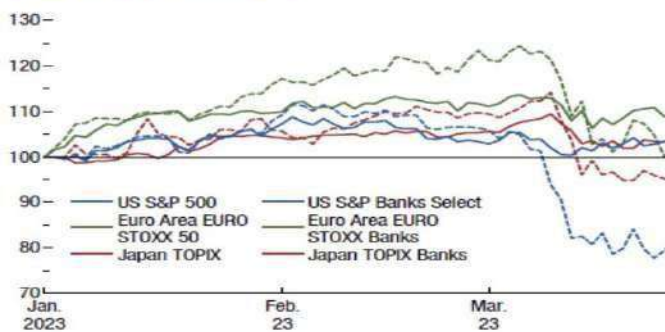
GLOBAL ECONOMY OVERVIEW

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks - most notably, the COVID-19 pandemic and Russia’s invasion of Ukraine - manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored. Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks’ generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises. The unexpected failures of two specialized regional banks in the United States in mid- March 2023 and the collapse of confidence in Credit Suisse - a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1). Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

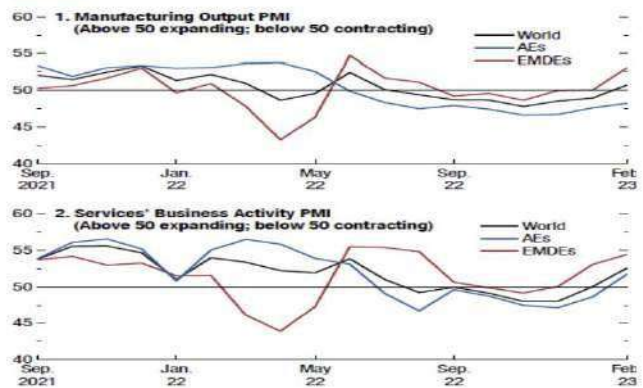
Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia’s invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperilled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labormarkets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter.

Figure 1.1. Broad Equity and Bank Equity Indices for Selected Major Economies
(Index; January 1, 2023 = 100)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.
Note: Latest data available are for March 28, 2023.

Figure 1.2. Early 2023 Activity Indicators Strengthened but Confidence Remained Depressed
(Indices)



With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022—central banks’ tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia’s war in Ukraine, and China’s economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing— particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

INDIAN ECONOMIC OVERVIEW

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

1. Overview

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

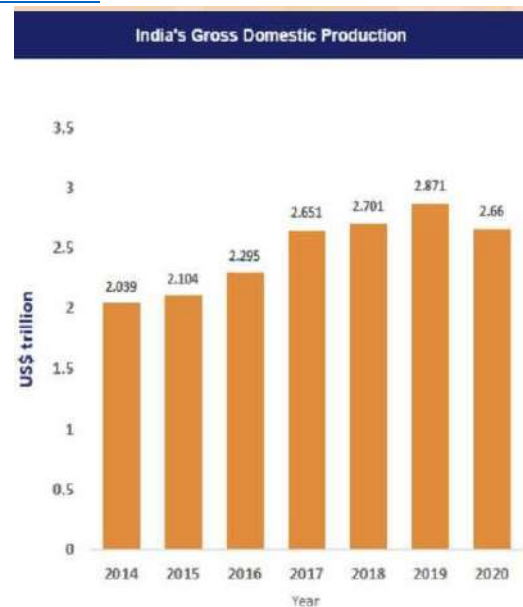
GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main 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 rationalization 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.

2. Market Size

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

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 nonfarm 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.

3. Recent Developments

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

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.

- a) As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- b) The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- c) Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- d) PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- e) In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crores (US\$ 17.92 billion).
- f) 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.
- g) 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.
- h) In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crores (US\$ 7.13 billion).
- i) 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.

4. Road Ahead

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

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.

TESTING, INSPECTION & CERTIFICATION MARKET OVERVIEW

Source: <https://straitresearch.com/report/testing-inspection-and-certification-tic-market/india>

1. Overview

The Indian testing, inspection, and certification (TIC) market size was valued at USD 26 million in 2021 and is projected to reach USD 47 million by 2030, registering a CAGR of 6.9% during the forecast period (2022- 2030).

Highlights:

- a) Testing dominates the market by service sourcing type.
- b) Infrastructure dominates the market by application.
- c) The in-house segment dominates by sourcing type.

India's testing, inspection, and certification (TIC) market is a quickly expanding industry offering services to several sectors, including manufacturing, the automobile, aerospace, medical, food and beverage.

The government's emphasis on quality and safety requirements, the rising need for certification services, and the expansion of the manufacturing and automotive industries are some of the main factors driving the TIC market in India. The implementation of numerous rules and guidelines by the Indian government, including BIS, FSSAI, and BEE, has raised the demand for testing and certification services.

The market is also adopting new technologies like IoT, AI, and machine learning to deliver enhanced testing and inspection services. Environmental testing and certification services are in greater demand due to the increased emphasis on sustainability and the environment.

2. Market Dynamics

a) India Testing, Inspection, and Certification (Tic) Market Drivers

Government Regulations

The need for TIC services has expanded due to the Indian government's implementation of several regulations and standards relating to quality, safety, and environmental protection. As an illustration, the Bureau of Indian Standards (BIS) has established obligatory certification programs for several goods, such as appliances, machinery, and electronics, which demand testing and certification by recognized laboratories. Similar rules have been established for food safety in India by the Food Safety and Requirements Authority of India (FSSAI), which mandates that food enterprises get licenses and adhere to several safety and quality requirements. The TIC sector plays a critical role in assuring compliance with these standards, and these rules have raised the demand for testing and certification services.

b) Increasing Demand For Certification Service

India is experiencing an increased need for certification services due to expanding consumer awareness, globalization, and the requirement for compliance with international standards. Consumers are becoming more concerned about the quality and safety of goods and services. They look for certifications like ISO, HACCP, and CE to ensure they purchase goods that adhere to high standards.

Similar to how trade is becoming more globally interconnected, Indian companies are trying to sell their goods abroad, necessitating meeting several foreign standards and certifications. As a result, there is an increasing need for certification services, and the TIC sector is playing a crucial role in meeting this demand for Indian firms.

3. India Testing, Inspection, And Certification (Tic) Market Restraints

Cost Of Services

A significant obstacle in the Indian TIC market is the high testing and certification services cost. Numerous companies, particularly SMEs, might need more funding to invest in these services, which might restrict their capacity to expand into new markets or adhere to rules. Additionally, the demand for TIC services can be constrained if customers are unwilling to pay more for certified goods.

Due to several variables, TIC services in India are relatively expensive. First, the TIC sector must make large expenditures on infrastructure, machinery, and skilled employees to deliver accurate and dependable services. This increases expenses for TIC providers, passed through to clients and customers.

4. India Testing, Inspection, And Certification (Tic) Market Opportunities

Growth In The Infrastructure And Construction Sector

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT), the Smart Cities Mission, and

the Bharatmala Pariyojana are just a few of the efforts the Indian government has initiated to promote infrastructure development. Due to the increase in building activity brought on by these initiatives in India, there is a greater need for TIC services to guarantee that safety and quality requirements are being met.

5. Segmental Analysis

The India testing, inspection, and certification (TIC) market is segmented based on service sourcing type and application.

The service sourcing type is further segmented into Testing, Inspection, and Certification for a better understanding.

The testing segment dominated the Indian market and is expected to register a CAGR of 3.6% over the forecast period.

The segment can be bifurcated by application into Consumer Goods and Retail Agriculture and Food Chemicals, Infrastructure Energy and Power Education, Government Manufacturing, Healthcare, Mining Oil and Gas, and Petroleum Public Sector Automotive Aerospace and Defence Supply Chain and Logistics.

The infrastructure segment dominated the market and is expected to grow at a CAGR of 4.2% followed by Automotive during the forecast period.

Based on sourcing type, the market is sub-segmented into In-house, Outsourced. The in-house segment is expected to dominate the market, registering the highest CAGR of 3.1% over the forecast period.

6. Regional Analysis

The North, South, East, and West Indian regions can be used to analyze the TIC market in India. Each area has particular sectors and needs for TIC services, such as adhering to global norms, ensuring food safety, and developing infrastructure.

The automotive, electronics, and textile industries in North India have a substantial demand for TIC services, whereas the IT, biotechnology, and pharmaceutical sectors make up South India's mixed economy. Due to its sizeable agricultural industry, food safety-related TIC services are in high demand in East India. West India's economy is diverse and home to sectors like textiles, chemicals, and pharmaceuticals. For TIC providers to appropriately target and serve their clients, they must comprehend the geographical differences in the market.

7. Top Key Players of India Testing, Inspection, And Certification (Tic) Market

- a) Bureau Veritas
- b) DEKRA India Pvt. Ltd

- c) DNV
- d) Eurofins Scientific
- e) Intertek India Pvt. Ltd
- f) Mistras India Pvt. Ltd

8. Recent Developments

April 2023- DEKRA audits and verifies sustainable biomass based on the SURE system. Therefore, economic actors can offer unbiased proof that they comply with the regulatory requirements for sustainable energy generation or heating and cooling generation.

9. Market Restraints

Lack of global testing, inspection and certification standards and relaxation of certification norms offered to SME's by some Government Authorities.

Testing, Inspection and certification standards for end-use applications differ from industry to industry. Thus, the lack of standards restrains the market growth. For instance, the textile industry in India has higher exports and imports than other countries; therefore, India is witnessing a surging demand for testing, inspection and certification services for textiles application in the country. The market growth is driven by companies who strictly want to adhere to defined standards and the growth is hampered when the country has relaxed norms pertaining to import and export.

Small to medium sized testing, inspection and certification companies face challenges in terms of receiving accreditation due to requirement of huge initial capital. Additionally, each country has different certification standards. For instance, US and China have more certification standards for electronics, while Europe has a high number of certification standards for the automotive sector. On the other hand, the Middle East and Europe have a high number of certification standards for the oil & gas industries. Many-times such differentiation creates conflict between local and international standards, thereby restraining or hindering the market growth.

10. Drivers to TIC Industry Growth

Increased risk to human life, environment impact, enhanced awareness amongst consumers to adopt reliable and high-quality products are the major drivers to the growth of this industry segment. Organizations across the world are focused on implementing safety testing services to address product safety and quality issues and to adhere or comply to government guidelines. These standards are designed to ensure product safety and reduce environmental impacts.

For instance, in the automotive sector the government has imposed strict environment regulations on OEM's— Original Equipment Manufacturers to control CO2 Emissions in the country (BS-VI).

MAJOR TIC SEGMENTS

Source : <https://straitresearch.com/report/testing-inspection-and-certification-tic-market/india>



Pharma & Lifesciences



Food, Agriculture & Chemicals



Automotive



Electrical & Electronics



Consumer Products



Construction & Infrastructure



Energy & Power



Industry & Mfg.



Mining



Oil & Gas



Aerospace



Defence



Marine



Rail



Supply Chain & Logistics



IT & Telecom



Sports & Entertainment



Textiles

OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward – looking statements that involve risks and uncertainties. You should read the chapter titled “**Forward Looking Statements**” beginning on page 20 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “**Risk Factors**” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*All financial information included herein is based on Restated Standalone Financial in the chapter titled “**Financial Statement as Restated**” beginning on page 187 of this Draft Prospectus. The following information qualifies in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled “**Risk Factors**”, “**Industry Overview**”, “**Management Discussion and Analysis of Financial Condition and Results of Operations**” and “**Financial Statements as Restated**” beginning on page no. 30, 123, 252 and 187 respectively of this Draft Prospectus.*

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to “We”, “Us”, “Our” and “Our Company” are to Qualitek Labs Limited as the case may be.

OVERVIEW

Our Company was incorporated as “Qualitek Labs Private Limited” at New Delhi as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 17, 2018 issued by Registrar of Companies, New Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extraordinary general meeting held on March 17, 2023. Consequently, the name of our Company was changed to “Qualitek Labs Limited” and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the Registrar of Companies, New Delhi on April 26, 2023 and Corporate Identification Number is U74999DL2018PLC334105. The registered office of our company is situated at 73 National Park, Lajpat Nagar IV, New Delhi, South Delhi, Delhi 110024 India.

Our Company is primarily engaged in the business of providing testing, inspection, homologation, certification and consultancy services to various industries viz the automotive, defence, minerals & metals, environment and food.

Within 5 years of incorporation, some of our significant achievements are:

- a) Our Company has commenced its business operation of providing services to our clients from a testing laboratory, which was set up in Pune in the year 2018. Later in the year 2022, our Company expanded and established the second laboratory in Bhubaneswar.

- b) Our Company is in process of setting up another two testing laboratories at Pune and Noida.
- c) Increase in turnover from Rs. 635.49 lakhs in FY 2020-21 to Rs. 1913.66 lakhs in FY 2022-2023.

Our Company has obtained following certifications / recognition:

| Year | Details |
|----------------|--|
| 2019 | Accreditation through test correlation with Ford Motor Company Laboratories |
| 2020 | Recognition of supplier competence vide letter reference DEATC I/2020/NC/004 by Renault Nissan Technology & Business Centre India |
| 2021 | Certificate for recognition of Qualitek Labs as a certified laboratory service provider of Volkswagen in accordance with admission to implementation of Volkswagen test regulations |
| 2022-24 | Accredited by NABL for ISO / IEC 17025: 2017 in recognition of general requirement for the Competence of Testing & Calibration Laboratories for its facility at Plot No. PAP-E-3/1, Chakan Industrial Area Phase III, MIDC, Village Kuruli, Taluka Khed, District Pune, Maharashtra. |
| 2021-23 | Accredited by NABL for ISO/ IEC 17025:2017 in recognition of general requirement for the Competence of Testing & Calibration Laboratories for its facility at D-2/18 Mancheswar Industrial Estate, Bhubaneswar- 751010, Orissa. |
| 2022-23 | ISO 9001: 2015 in recognition of organization's Quality Management System |
| 2022-23 | ISO 14001: 2015 in recognition of organization's Environment Management System. |
| 2022-23 | ISO 45001: 2018 in recognition of organization's Health and Safety Management System |

Our Company is managed by our Promoters and Directors, Mr Alok Kumar Agarwal, Mr. Kamal Grover and Mr. Antaryami Nayak, who plays pivotal role in managing the affairs of the Company. Mr. Alok Kumar Agarwal is a successful entrepreneur with over 27 years of experience and with more than 20 years of successful venture in finance, consulting, advisory and taxation field, he ventured in testing, inspection and certification (TIC) business by establishing TIC Services Private Limited. Subsequently he established our Company for testing, inspection and certification business in the year 2018. Our Company has demonstrated a remarkable growth and Mr. Agarwal is responsible for strategic investment, management of funds, expansion, getting new businesses and setting up appropriate control mechanism in the business. Our promoter Mr. Kamal Grover has an extensive experience of more than 20 years. He is responsible for the entire sales of our Company and he has successfully managed to empanel various marquee clients for the growth of our Company. Mr. Antaryami Nayak has a vast experience in the corporate world particularly in testing, inspection and certification sector. He deals with various regulatory and government bodies and ensures that the various standards and norms set up by regulatory bodies are duly taken care by our Company.

Our team of professionals have the knowledge and experience to fully understand the challenges faced by the industry and try to comprehend the same. In addition, our experienced team has enabled us to build an

effective business model that gives us control over our processes such as raw material procurement, marketing and sales through our network.

The revenue of our Company for the period ended on March 31, 2023 and for the financial year ended on March 31, 2022, and 2021 based on Restated Standalone Financial Statements are as under:

| Particulars | For the year period ended March 31, 2023 | | For the year ended March 31, 2022 | | For the year ended March 31, 2021 | |
|-----------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|---|---------------------------------------|
| | Amount | % to Revenue from Operation | Amount | % to Revenue from Operation | Amount | % Revenue from Operati on |
| Lab-Wise | | | | | | |
| Bhubaneswar | 260.21 | 13.60% | 73.07 | 6.11% | 2.49 | 0.39% |
| Pune | 1653.47 | 86.40% | 1123.50 | 93.89% | 633.92 | 99.61% |
| Total | 1913.66 | 100% | 1196.57 | 100% | 636.40 | 100% |
| Segment-Wise | | | | | | |
| Bhubaneswar | | | | | | |
| Environment & Water | 143.26 | 7.49% | 20.00 | 1.67% | 2.25 | 0.35% |
| Food & Agricultural | 31.40 | 1.64% | 12.96 | 1.08% | 0.07 | 0.01% |
| Minerals | 66.10 | 3.45% | 31.07 | 2.60% | 0.17 | 0.03% |
| Pharma & Healthcare | 19.45 | 1.02% | 9.04 | 0.76% | - | - |
| Total | 260.21 | 13.60% | 73.07 | 6.11% | 2.49 | 0.39% |
| Pune | | | | | | |
| Automotive | 1412.15 | 73.79% | 1020.02 | 85.25% | 626.48 | 98.44% |
| Defence Testing Services | 224.15 | 11.71% | 63.53 | 5.31% | 5.23 | 0.82% |
| Other Specialised Tests | 17.17 | 0.90% | 39.95 | 3.34% | 2.21 | 0.35% |
| Total | 1653.46 | 86.40% | 1123.50 | 93.89% | 633.92 | 99.61% |
| Grand Total | 1913.67 | 100% | 1196.57 | 100% | 636.40 | 100% |

OUR COMPETITIVE STRENGTHS

1. Experienced promoters and management team

We are led by a qualified and experienced management team that has the expertise and vision to manage and grow our business and promote our sustainability goals. Our Promoters, Mr. Alok Kumar

Agarwal, Mr. Antaryami Nayak, and Mr. Kamal Grover have vast experience in the business and testing industry. Our management and employee team combines their efforts to outline plans for the future development of the Company. Knowledge and understanding relating to the industry, gives us a key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. For details, relating to the experience of our promoter and management, please see the chapters titled, ***“Our Management”*** and ***“Our Promoters and Promoter Group”*** on page 156 and 174 of this Draft Prospectus.

2. Established brand name

Qualitek Labs is a NABL ISO / IEC 17025 : 2017 accredited laboratory company formed by industry professionals having more than decades of experience in the respective fields of expertise. The Company has a system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. Our team of professionals with their expertise in the business, fully understands the challenges faced by the industry and comprehends the same. For further details, see ***“History and Certain Corporate Matters – Major Events and Milestones”*** on beginning on page no. 151 of this Draft Prospectus.

3. Customer Centric Services

The laboratory operates with a well-developed quality assurance process and customer centric approach to offer a holistic solution beyond testing, inspection and certification for the products and services to its clients. We focus to enhance the overall quality of our services for optimal customer satisfaction. Several factors, including the strength of our brand, integrated services model, quality of our product testing services, centre infrastructure, customer experience and convenience of our operational network are important differentiating factors motivating the customers to choose our Company as their preferred product testing service provider, which helps us in retaining our customers, and sets us apart from our competitors.

4. Robust Technical Capability with Strong IT Infrastructure

Our knowledge and experience combined with our infrastructure facilities at Pune and Bhubaneswar offers innovative solutions to the automotive, electrical, aerospace and other allied industries in testing, homologation, certification and consultancy.

Our solutions help to reduce risks, innovate and test the safety, maintain the quality and performance of product vis-a-vis the regulatory standards. We offer end to end testing solutions to evaluate automotive material, components, assemblies and full vehicle as per Indian and International standards like ASTM, IS, ISO, JIS, SAE, DIN, Specific OEM Standards etc.

OUR BUSINESS STRATEGY

Our Company’s focus is to utilize our core strengths for expanding our operations in existing as well as new

markets. Our Company, meticulously engineered with a cutting-edge technology and aptly supported by an efficient team of trained personnel who market our services in unexplored markets, intends to acquire bigger share of this competitive industry which hitherto was not captivated or dominated by any other testing laboratories. We intend to continue to provide high quality services to our customers and grow our business by leveraging our strengths and implementing the following strategies:

1. Develop cordial relationship with our suppliers, customer and employees

We believe in maintaining good relationship with our suppliers and customers who are of utmost importance in growing our Company. Our dedicated and focused approach with efficient and timely delivery of services has helped us build strong relationship over the years. We focus on doing continuing business with our customers and suppliers. For our Company, establishing strong, mutually beneficial long-term relationships with supplier and customers is a critical step in improving our performance, generating greater cost efficiency and enabling us to grow and develop our business.

2. Expanding our geographical reach and scope of services.

As of now, our Company's presence is in Pune and Bhuwaneshwar where we are providing services relating to automotive, defence, metal and metallurgy sectors. We intend to expand our services in other geographies where we have the availability of talent to execute and provide services in cost effective and efficient manner to the customers. We are currently in process of establishing two new laboratories in Noida and Pune, apart from the existing laboratory in Pune.

3. Information Technology

We at Qualitek Labs, believe in IT as the backbone of our success and growth forward. For our routine business operations and sample management, we use our Group Company developed LIMS (Laboratory Information Management System), which enables us to undertake sample registration, sample booking, sample test master creation & updation, capacity planning, test results updation, invoice generation (GST formats), report generation (in defined formats) etc.

LIMS is cloud based with customer access which enables our customers to have their login credentials to check the status of its submitted samples/ orders online, download reports and invoices, data drilling through dashboard like finding out failure percentage, parameter failing etc.

Other than LIMS, we use Tally for our financial management and general accounting purpose. We are in process of enhancing the features of our LIMS to include inventory management, resource allocation, store receipts etc. to make it an ERP solution for our organization.

4. Continue to strengthen our existing service portfolio and diversify into services with attractive growth and profitability prospects

We have consistently focused on expanding and optimising our service range to offer utility and value for money. We seek to introduce services other than existing ones and to cater to the evolving

requirements of our customer base and cover newer customer segments.

OUR LAB TESTING SERVICES

1. Automotive Testing
2. Defence Products Testing
3. Metals & Metallurgy Testing
4. Mineral Testing
5. Environment Testing
6. Food Testing

OUR TESTING LABORATORIES AND OPERATIONAL NETWORK

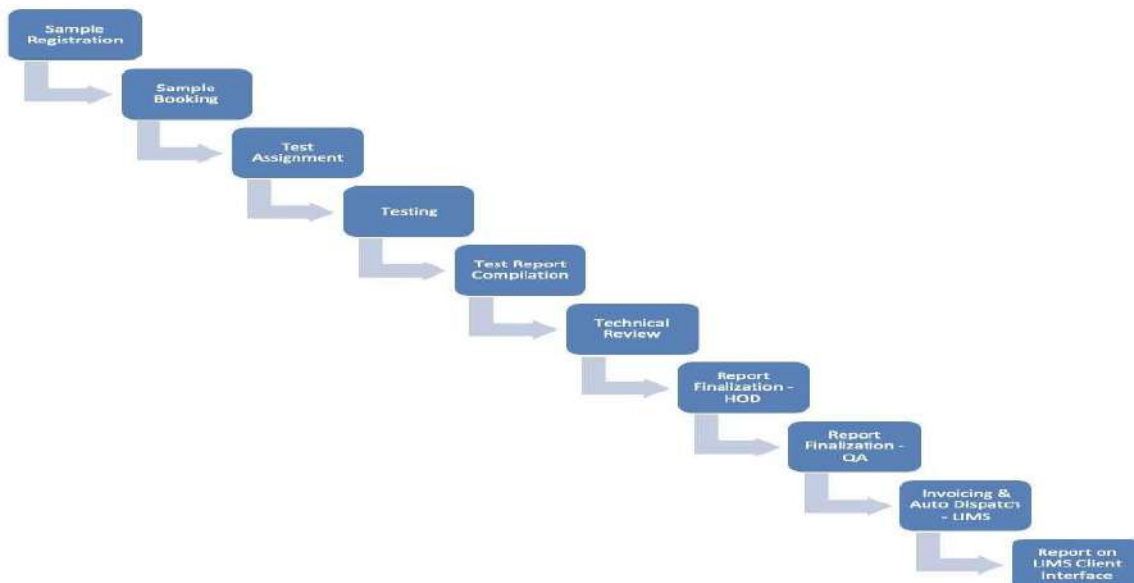
Since incorporation, Our Company started providing services to our clients from a testing laboratory, which was set up in Pune in 2018. Later, our Company expanded and established another laboratory in Bhubaneswar in December, 2022. Currently, a new laboratory is being set up by our Company in Pune. Further, our Company has plans to establish another testing laboratory in Noida. For details relating to our centers please refer to **“Our Properties”** on page no. 132. of this Draft Prospectus. Our testing laboratories are designed in accordance with certain specifications, which include requirements in relation to design of work area, physical infrastructure and placement of technical equipment, with an aim to provide our customers with uniformity of experience for every visit. Our testing laboratories are for the purpose of walk- in customers as well as our institutional customers for product testing, depending on the nature of the test sought.

Our operation comprises of providing testing related services in different fields as stated in the table below:

| Sr No. | Tests | Testing Field |
|--------|-------------------------------|--|
| 1. | Thermal Cycling Life Test | Automotive Testing: EV Battery Testing |
| 2. | High Temperature Storage Test | Defence Product Testing |
| 3. | Thermal Shock Test | Automotive Testing: Reliability Testing |
| 4. | PU Foam Fogging Test | Automotive Testing: Polymer Testing |
| 5. | Vibration Test | Automotive Testing : Climate, Vibration & Fatigue Testing Capability |
| 6. | Gravel Impact Test | Automotive Testing: EV Battery Testing |
| 7. | Salt Spray Test | Automotive Testing: Paint Testing Capability |
| 8. | Shock Test | Automotive Testing: Climate, Vibration & Fatigue Testing Capability |
| 9. | IP6X Test | Automotive Testing: Ingress Protection Testing (IP Testing) |
| 10. | Flammability Test | Automotive Testing: Polymer Testing/ Material Testing |

| | | |
|-----|--|-------------------------------------|
| 11. | Charpy Impact Strength Notched Testing and Izod Impact testing | Metals & Metallurgy Testing |
| 12. | Ash Content | Automotive Testing: Polymer Testing |
| 13. | Tensile Strength | Metals & Metallurgy Testing |
| 14. | Elongation | Metals & Metallurgy Testing |
| 15. | Specific Gravity | Material Testing |
| 16. | MFI | Material Testing |
| 17. | Flexural Strength | Material Testing |
| 18. | Flexural Modulus | Material Testing |
| 19. | HDT | Material Testing |
| 20. | RM Identification | Material Testing |
| 21. | Interior Accelerated Weathering | Automotive Testing |
| 22. | Accidental Drop Test | Defence Testing |
| 23. | Temperature Drop Test | Electrical on Board testing |
| 24. | Cyclic corrosion Test | Automotive Testing |
| 25. | Mineral Testing (Charcoal) | Mineral Testing |
| 26. | Environment Testing (DG Set, DG Stack, DG Noise) | Environment Testing |
| 27. | IP 65 Test | Automotive Test |
| 28. | QLB/EW/2023/00093/CH/00093 | Environment Testing |
| 29. | Soft drink testing | Food Testing |

LABORATORY PROCESS



Our company follows the above 10 step process to execute any client order. Once a sample is received and registered, it is sent for booking and a booking code is generated. Identity of the sample information is concealed for confidentiality of the sample. Once the sample is booked, the testing assignment team based on the customer Test Request Form (TRF) assigns the required tests to be conducted on the samples and then distributes the sample to the respective labs like microbiology lab, flammability lab, reliability lab,

etc. Once the testing is completed the testing data is uploaded on the LIMS by the testing team within the defined Turn Around Time. The technical reviewer then reviews the data on LIMS for its integrity and completeness. Once the data is reviewed it is cross checked and approved by HOD and QA. After receiving final approval from the HOD and QA, the report is generated and emailed to the client along with the invoice. The client can also download the reports through the client interface functionality in our LIMS.

DETAILS OF OUR BUSINESS LOCATIONS

Our Company is NABL Accredited Lab and is managing/servicing labs in following geographical location and operating retail outlets such as:

1. Pune and;
2. Bhubaneshwar

We are in process of establishing the following two new testing laboratories:-

1. Noida
Type of Testing Services: Automotive, Electronics, Textiles, Consumer Products, Mining, Oil & Gas
2. Pune
Type of Testing Services: Environmental Testing, Metal & Metallurgy, Packaging Testing, IP Testing, On Board Diagnostic Testing.

PLANT AND MACHINERY

The existing owned plant and machinery of our Company are as follows:

| Sr.No | Equipment Name | Test Purpose | Source (Imported/Indigenous) |
|-------|--|---|------------------------------|
| 1. | Air Cooled Water Chiller 50 TR | Auxiliary Equipment for running the machine | Indigenous |
| 2. | Electro Dynamic Shaker (Model No. DEV 440) | Vibration testing | Indigenous |
| 3. | Rapid Temperature Transfer Walk-In Chamber | Temperature /humidity testing | Imported |
| 4. | Fade O Meter/ Weather O Meter | Light Fastness Testing | Imported |
| 5. | Table Mounted Material Testing Machine 50 KN | Tensile Testing, yield Testing | Imported |
| 6. | EGNX28-15NW, Nseries Global Temp/Humidity Chamber | Climate testing | Imported |
| 7. | Electric Generating Set 350 kVA | Generate set | Indigenous |
| 8. | Floor Standing Cyclic Corrosion Test Chamber and ACC29 ATCU with | Cyclic corrosion testing | Imported |

| | | | |
|-----|--|---|------------|
| | other accessories | | |
| 9. | Espec Corp Japan Thermal Shock Chamber, ES Type Model- TSA-203ES-W | Thermal Shock testing | Imported |
| 10. | Water Chiller (Industrial) 100TR | For Walk in chamber Heat Exchanger Cooling | Indigenous |
| 11. | Floor Standing Cyclic Corrosion Test Chamber & ACC29 ATCU With other Accessories | Cyclic Salt spray testing | Imported |
| 12. | Pendulum Impact Tester HIT25P & Notch Milling Machine ZNO2010 | Charpy & IZOD Impact testing | Imported |
| 13. | Water Chiller 20 TR | Thermal Shock Chamber Heat | Indigenous |
| 14. | | Exchanger Cooling | |
| 15. | ESPEC Japan Environmental Stress chamber AR Series Model - ARS-1100AE | Climate testing | Imported |
| 16. | Floor Standing Salt Spray Test Chamber with accessories | Cyclic corrosion testing | Indigenous |
| 17. | 25 TR Water Chiller (Industrial) | Auxiliary equipment for running the machine | Indigenous |
| 18. | Spectro-guide 45/0 gloss | Colour and gloss measurement | Imported |
| 19. | HVUL2- Horizontal Vertical Flame Chamber | Flammability test | Imported |
| 20. | Cross Cut Kit and Tool | Auxiliary equipment for running the machine | Imported |
| 21. | Gloss and Haze Meter | Haze and gloss measurement | Imported |

SALES AND MARKETING

Our Company has a competent marketing team that coordinates our sales and marketing activities to promote our brand and the services we offer. We undertake various marketing activities for the awareness of our brands and services. Our marketing initiatives include outlet displays, banners & hoardings like advertisements on flex boards etc. We also participate in various workshops and conferences. Our marketing team focuses on developing and maintaining customer relationship, procuring repeat orders and ensuring timely delivery of our services. We believe that our marketing efforts will enhance the value and trust in minds of our customers and will help in our growth.

COMPETITION

The Testing Inspection and Certification (TIC) market is highly competitive including few organised and unorganised players in market. The key areas of competition in this industry are service range, quality, price, delivery, general customer experience, time to market. The prominent global players operating in the Testing, Inspection and Certification markets are SGS Group (Switzerland), Bureau Veritas (France), Intertek (UK), TÜV Nord (Germany), DNV (Australia) amongst others. Additionally, we face competition from number of regional and unorganized TIC service providers. To counter competition, we are proposing expansion of our business activity so as to achieve diverse service portfolio, economies of scale and cost competitiveness.

COLLABORATIONS

| | Partner | Geography | Business Segment | Status |
|----------|-----------|-------------|------------------|-------------|
| Domestic | MSME/UPMA | Bhubaneswar | Pharmaceuticals | Operational |

MAJOR CUSTOMERS AND SUPPLIERS

The following is the breakup of top five and top ten customers and suppliers of our Company for the period ended on March 31, 2023 based on Restated Standalone Financial Statements are as below:

(Rs in Lakhs)

| Particulars | Customers | | Suppliers | |
|-------------|-----------|------------|-----------|------------|
| | Amount | Percentage | Amount | Percentage |
| Top 5 | 361.71 | 25.24% | 109.73 | 28.30% |
| Top 10 | 542.99 | 38.22% | 158.73 | 41% |

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best talent. Our Company considers factors such as specific skill-sets, interests and background, while recruiting the employees that would be an asset for our business. As on the date of this draft prospectus, we have a total of 157 employees. The table below shows the functional breakdown of our employees:

| Department | No. of Employees |
|-----------------------------------|------------------|
| Finance Department | 4 |
| Human Resource Department | 1 |
| Sales & Marketing Department | 15 |
| Purchase & Procurement Department | 1 |
| Legal and Compliance Department | 1 |
| Quality Department | 31 |
| Production Department | 54 |
| Canteen | 1 |
| Admin & Housekeeping | 10 |
| Security | 2 |

| | |
|----------------|------------|
| IT | 1 |
| Physical Labs | 3 |
| Testing & Labs | 33 |
| Total | 157 |

We offer training to our staff on an ongoing basis, which encompasses training on knowledge, skills and attitude. This approach ensures the deployment of competent staff to deliver quality service to our customers to earn their trust.

The training of employees is based on a phased training program. At the initial level, we provide training on knowledge and skills for new joiners, while the experienced staff is trained on the protocols followed within our operational sites to ensure standards of our Company are maintained. The second level was designed for continuous education that is done departmental wise to ensure there is a retention and recall of the learning while refreshing the employees with the latest updated practices. The third level involves the cross departmental training and upskilling of the existing staff to prepare them for greater responsibilities. Managerial and leadership trainings are also conducted to boost the development of the managerial competencies while building a leadership pipeline for our Company.

OUR PROPERTIES

| Sr. No. | Date | Name of the Seller/ Licensor/ Lessor/ Vendor/ Franchisee | License/ Leased/ Owned/ Franchise | Location of the Property | Area | Period | Purpose |
|---------|------------------|--|-----------------------------------|--|--------------|-----------|----------------------------------|
| 1. | April 28, 2023 | Alok Kumar Agarwal | Rent | 73, National Park, Lajpat Nagar IV, New Delhi 11024 | 209 Sq Mtrs | 11 months | Registered Office |
| 2. | January 5, 2022 | Shankar K. Yelwande | License | Plot No – Gat No 17/3, Plot 2 situated at Village Nighoje, Near VW dispatch gate, Taluka Khed, Dist- Pune - 410501 | 5243 Sq Mtrs | 5 years | Industrial Shed and Office Space |
| 3. | April 21, 2022 | M/s SKM Realcon Private Limited | Lease | Industrial Property no C-40, Sector 57, Noida, Distt. Gautam Budh Nagar (U.P) | 1800 Sq Mtrs | 5 years | Industrial Purpose |
| 4. | October 09, 2021 | M/s. Utkal Pharmaceuticals | Management as Service | D-2/18 Mancheswar Industrial Estate, | 745 Sq Mtrs | 9 years | Testing Laboratory |

| | | | | | | | |
|----|----------------|---------------------------|----------|---|-----------------|---------|-----------------|
| | | Manufacturers Association | Provider | Bhubaneswar-751010, Orissa | | | |
| 5. | August 4, 2023 | M/s Pratik Industries | License | Plot No. PAP-E-3/1, Chakan Industrial Area Phase III, MIDC, Village Kuruli, Taluka Khed, District Pune, Maharashtra | 1194.98 Sq Mtrs | 5 years | Industrial Unit |


INSURANCE POLICIES

We have taken insurance policies covering the following:

| Sr. No | Policy Type | Insurance Company Name | Policy Number | Items insured | Premium (Amount in Rs.) | Sum Insured in (Amount in Rs.) | ExpiryDate |
|--------|---------------------|------------------------|---------------|---------------|-------------------------|--------------------------------|------------|
| 1. | Individual Policy | Care Health Insurance | 62744089 | 78 | 7,301 | 2,34,00,000 | 22.02.2024 |
| 2. | Main Floater Policy | Care Health Insurance | 62744067 | 287 | 14,92,700 | 2,34,00,000 | 22.02.2024 |

INTELLECTUAL PROPERTY

The Company has following Intellectual Property Rights in the nature of trademark in the name of Qualitek Labs. For further details of our trademarks, please refer the chapter titled ***“Government and Other Statutory Approvals”*** beginning on page 272 of this Draft Prospectus.

| S No. | Trademark | Class | Application No. | Status | Applicable Laws |
|-------|---|-------|-----------------|----------|-----------------------|
| 1. |  | 42 | 5608751 | Objected | Trade Marks Act, 1999 |

KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “**Government and other Approvals**” on page 272 of this Draft Prospectus.*

STATUTORY AND COMMERCIAL LAWS

1. **The Companies Act, 2013 & Companies Act, 1956**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Companies Act, 2013 received the assent of President of India on 29th August 2013. At present, almost all the provisions of this law have been made effective except few to which extend the Companies Act, 1956 is still applicable. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 2013 prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies.

2. **Indian Contract Act, 1872**

The Indian Contract Act, 1872 (“**Contract Act**”) codifies the way in which a contract is entered, executed and implemented and implications of breach of a contract. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced, as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. The Contract Act deals with the enforcement of these rights and duties upon the parties. The Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act, 1930 and the Indian Partnership Act 1932. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

3. **Competition Act, 2002**

The Competition Act, 2002 (“**Competition Act**”) prohibits anti-competitive agreements, abuse of

dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (“CCI”) as the authority under the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on 4th March, 2011 and came into effect on 1st June, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as individuals and group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective from 1st June, 2011, all combinations have to be notified to the CCI within thirty (30) days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and Section 5(b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the Board of Directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

LAWS RELATING TO LABOUR AND EMPLOYMENT

1. Employees State Insurance Act, 1948

Employees State Insurance Act, 1948 (“ESI Act”) as amended, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

2. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the schemes formulated there under

This Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- a. The Employees Provident Fund Scheme, 1952: As per this scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- b. The Employees’ Pension Scheme, 1995: Employees’ Pension Scheme is a pension scheme for

survivors, old aged and disabled persons. This scheme derives its financial resource by partial diversion from the provident fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33% of the employee's pay shall be remitted by the employer to the employees' pension fund within fifteen (15) days of the close of every month by a separate bank draft or cheque on account of the employees' pension fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the EPF Act.

- c. The Employees Deposit Linked Insurance Scheme, 1976: As per this scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the EPF Act, to the insurance fund within fifteen (15) days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the EPF Act.

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

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e., a written complaint is to be made within a period of three (3) months from the date of the last incident. If the establishment has less than ten (10) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs.50,000/- (Rupees Fifty Thousand Only).

4. In order to rationalize and reform all labour laws in India, the Indian Government has notified four labour codes which are yet to come into force as on the date of this Draft Prospectus, which are as follows:

- a) The Code on Social Security, 2020*

The Code on Social Security, 2020 has been passed by both the houses of parliament and has received the assent of the President on September 28, 2020. However, the Code on Social Security will be in force from such date the Central Government by notification may appoint and is yet to be notified. The said Code will subsume various social security, retirement and employee benefit laws like ESI Act, EPF Act, Maternity Benefit Act, Payment of Gratuity Act, etc.

b) The Code on Wages, 2019*

The Ministry of Law and Justice, Government of India has enacted the Code on Wages, 2019 (“Wage Code”) on August 8, 2019, which seeks to amend and consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. The Wage Code will be in force from such date the Central Government by notification may appoint and is yet to be notified. The Wage Code subsumes the provisions of the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

c) Industrial Relations Code, 2020*

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the appropriate government.

d) Occupational Safety, Health and Working Conditions Code, 2020*

The Ministry of Law and Justice, Government of India has published the Occupational Safety, Health and Working Conditions Code, 2020 (“**OSH Code**”) on 29th September, 2020 and the same will be in force from such date the Central Government by notification may appoint. However, the same has not been notified yet, The OSH Code aims to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment and for matters connected therewith or incidental thereto. The OSH Code has subsumed several key pieces of legislation on the working conditions of labour and consolidated it into one comprehensive act, including, inter alia, the Contract Labour (Regulation and Abolition) Act, 1970, the Factories Act, 1948, etc.

**These codes shall become effective on the day that the Government shall notify for this purpose.*

5. The Shops and Establishment Laws

Under the provisions of local Shops and Establishments laws applicable in various states, 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.

ENVIRONMENTAL LAWS

1. Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

2. Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

TAX LAWS

1. The Income Tax Act, 1961

The Income Tax Act, 1961 ("**Tax Act**") deals with taxation of individuals, corporate, partnership firms and others. As per the provisions of the Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the Tax Act. Filing of returns of income is compulsory for all assesses. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the Tax Act.

2. The 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.

3. Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business organs in vocations.

INTELLECTUAL PROPERTY LAWS

1. The Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties in form of imprisonment or fine or both for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

FOREIGN INVESTMENT REGULATIONS

1. The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

OTHER APPLICABLE LAWS

1. Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 was enacted in order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). As per the notification no. F. No. 2/1(5)/2019-P&G/Policy (Pt.-IV) dated June 01, 2020, the Central Government notified the following criteria for classification of MSME with effect from July 01, 2020: as a micro enterprise, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; a small enterprise, where the investment in

plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; and a medium enterprise, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

2. Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities or municipal corporations to issue trade license for operating business and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

3. Delhi Fire Service Act, 2007 ("Fire Act") and The Delhi Fire Service Rules, 2010 ("Fire Rules")

The Delhi Fire Service Act, 2007 aim to ensure fire safety and prevention measures in certain buildings and premises in the National Capital Territory of Delhi. The Fire Act provides for the maintenance of a fire service and establishes provisions for fire prevention and fire safety. It mandates the maintenance of a fire service and specifies provisions for fire prevention and safety measures in various types of buildings and occupancies. The Fire Rules mandate the owner or occupier of the building or premises to obtain fire safety certificate for compliance of minimum standards for fire prevention and fire safety of buildings or premises.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of Our Company

Our Company was incorporated as Qualitek Labs Private Limited, a private limited company, at Delhi under the Companies Act, 2013 on May 17, 2018 and was granted the certificate of incorporation by the RoC. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extra-ordinary general meeting held on March 17, 2023. Consequently, the name of our Company was changed to “Qualitek Labs Limited” and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the RoC on April 26, 2023 and our Corporate Identification Number (CIN) is U74999DL2018PLC334105. The Registered Office of our Company is situated at 73 National Park, Lajpat Nagar IV, New Delhi, South Delhi, Delhi 110024 India.

Changes in the Registered Office

Except as disclosed below, there has been no change in the Registered Office of our Company since the date of incorporation:

| Effective date of change of Registered Office | Details of change of Registered Office | Reasons for change in Registered Office |
|---|--|---|
| December 26, 2022 | The Registered Office of our Company was changed from 166, SFS Apartments, Hauz Khas, New Delhi, South Delhi, Delhi 110016 to 73, National Park, Lajpat Nagar, New Delhi, South Delhi, Delhi-DL 110024 | For administrative purpose |

Main objects of Our Company

The main objects contained in our Memorandum of Association are as follows:

- To carry on the business of testing, analyzing, inspection of various products such as all type of automotive products, electrical & electronics, food products in raw form, processed, semi processed & ingredients, pharmaceuticals products, environmental products, apparels, footwear, textiles, hosiery, handbags, gadgets, furniture, beauty products, cosmetics, toys, soft toys, bicycles and other related items and to conduct studies on quality control, technical, managerial, environmental consultancy services including consulting services on running and setting up of laboratory quality control systems, on occupational hazard and safety, run training programs and courses in various laboratory techniques.*
- To establish, maintain and run commercial laboratories, experimental stations and workshop for testing analyzing of materials such as metals, minerals, refractory, plastics, oil, water, waste water, sewage, soils, agricultural products, fertilizers, marine products, pharmaceuticals products and to carry out chemical tests and quality control checks, quality inspection services, consultancy services, technical support services and allied services & consumer products.*
- To provide safety certifications for products and to carry out social audit and factory audit services,*

to undertake and carry out research and investigations to process, improve and invest new and better techniques and methods of manufacturing products, improving patents or copyrights, which the company may acquire or deal with research investigations, experiments, tests that may assist anyof the aforesaid business of the company.

4. To carry on the business of testing in health & beauty products, cosmetics, ayurveda, homeopathy, naturopathy, all types of hard goods including packaging materials, building materials, handicraft products etc.
5. To purchase & sale of lab consumable, chemicals, printing & stationary & all other relevant items andto provide IT support services, outsourcing, staffing & recruitment services.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since incorporation:

| Date of Shareholders' Resolution /Effectivedate | Details of modifications |
|---|--|
| October 15, 2021 | The authorized share capital of ₹ 1,00,000/- (₹ One Lakh only) consisting of10,000 Equity shares of ₹ 10/- each was increased to ₹ 50,00,000/- (₹ Fifty Lakhs Only) consisting of 5,00,000 Equity shares of ₹ 10/- each. |
| November 21, 2022 | The authorized share capital of ₹ 50,00,000/- (₹ Fifty Lakhs Only) consisting of ₹ 10/- each was increased to ₹ 10,00,00,000/- (₹ Ten Crores Only) consisting of 1,00,00,000 Equity shares of ₹ 10/- each. |
| March 17, 2023 | The change in the name of our Company from "Qualitek Labs Private Limited" to "Qualitek Labs Limited", pursuant to conversion of company from private limited to public limited. |

Major events and milestones of Our Company

| Calendar Year | Event |
|------------------|---|
| 2018 | (1) Company started green field project in Bhubaneswar, East India through public-private partnership by signing contract with UPMA under MSME- Cluster development programme- Odisha to run business in Odisha for 27 Years (2) Company started testing laboratory in Pune with major focus on testing for automotive industry. |
| 2022 | Increase in turnover from Rs. 83,01,470/- in FY 2018-2019 to Rs. 12,71,96,555/- till Q3 of FY 2022-2023 |
| 2018-2023 | The Company has participated in various inter laboratory comparison program and proficiency testing programs |
| 2023 | First company to receive JSS 55555 accreditation in testing of defence equipments for Government of India |

Awards, accreditations and recognitions received by our Company:

| Year | Details |
|-------------|---|
| 2019 | Accreditation through test correlation with Ford Motor Company Laboratories |

| | |
|----------------|--|
| 2020 | Recognition of supplier competence vide letter reference DEATC I/2020/NC/004 by Renault Nissan Technology & Business Centre India |
| 2021 | Certificate for recognition of Qualitek Labs as a certified laboratory service provider of Volkswagen in accordance with admission to implementation of Volkswagen test regulations |
| 2022-24 | Accredited by NABL for ISO / IEC 17025: 2017 in recognition of general requirement for the Competence of Testing & Calibration Laboratories for its facility at Plot No. PAP-E-3/1, Chakan Industrial Area Phase III, MIDC, Village Kuruli, Taluka Khed, District Pune, Maharashtra. |
| 2021-23 | Accredited by NABL for ISO/ IEC 17025:2017 in recognition of general requirement for the Competence of Testing & Calibration Laboratories for its facility at D-2/18 Mancheswar Industrial Estate, Bhubaneswar- 751010, Orissa. |
| 2022-23 | ISO 9001: 2015 in recognition of organization's Quality Management System |
| 2022-23 | ISO 14001: 2015 in recognition of organization's Environment Management System. |
| 2022-23 | ISO 45001: 2018 in recognition of organization's Health and Safety Management System |

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks as on the date of this Draft Prospectus.

Significant financial or strategic partners

As of the date of this Draft Prospectus, our Company does not have any significant financial or strategic partners. Apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, capacity/ facility creation, location of our plants and entry into new geographies or exit from existing markets, see **"Our Business"** on page 132.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years

The Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last ten years.

Holding Company

As of the date of this Draft Prospectus, our Company has one holding company, i.e. TIC Services Private Limited.

Corporate Information

TIC Services Private Limited is a Private Limited company, registered under Companies Act, 2013. It is registered with Registrar of Companies, Delhi on December 30, 2015. Its corporate identification number is U93000DL2015PTC289025.

Registered Office

The Registered Office is situated at 166, DDA SFS Flats, Hauz Khas, New Delhi, Delhi 110016, India

Main Objects of TIC Services Private Limited

Main objects of TIC Services Private Limited are as follows:

1. To establish, maintain and run commercial laboratories, experimental stations and workshop for testing analyzing of materials such as metals, minerals, refractory, plastics, oil, water, waste water, sewage, soils, agricultural products, fertilizers, marine products, pharmaceuticals products and to carry out chemical tests and quality control checks, quality inspection services, consultancy services, technical support services and allied services & consumer products.
2. To carry on the business of testing, analyzing, inspection of various products such as all type of food products in raw form, processed, semi processed & ingredients, pharmaceuticals products, environmental products, electrical & electronics, automotive products, apparels, footwear, textiles, hosiery, handbags, gadgets, furniture, beauty products, cosmetics, toys, soft toys, bicycles and other related items and to conduct studies on quality control, technical, managerial, environmental consultancy services including consulting services on running and setting up of laboratory quality control systems, on occupational hazard and safety, run training programs and courses in various laboratory techniques.
3. To provide safety certifications for products and to carry out social audit and factory audit services, to undertake and carry out research and investigations to process, improve and invest new and better techniques and methods of manufacturing products, improving patents or copyrights, which the company may acquire or deal with research investigations, experiments, tests that may assist any of the aforesaid business of the company.
4. To carry on the business of testing in health & beauty products, cosmetics, ayurveda, homeopathy, naturopathy, all types of hard goods including packaging materials, building materials, handicraft products etc.
5. To purchase & sale of lab consumable, chemicals, printing & stationary & all other relevant items
6. Provide IT support services, outsourcing, staffing & recruitment services.

Capital Structure and shareholding

The authorized share capital of TIC Services Private Limited is ₹ 75,00,000 consisting of 7,50,000 equity shares of ₹ 10/- each. It's issued, subscribed and the paid – up equity share capital is ₹ 47,06,000

consisting of 4,70,600 equity shares of ₹ 10/- each. The shareholding pattern of TIC Services Private Limited as on the date of this Draft Prospectus is as mentioned below:

| Sr No. | Name of Shareholder | No. of equity shares | Percentage |
|---------------|----------------------------|-----------------------------|-------------------|
| 1. | Anju Agarwal | 75,000 | 15.95% |
| 2. | Alok Kumar Agarwal | 1,45,600 | 30.94% |
| 3. | Antaryami Nayak | 1,50,000 | 31.84% |
| 4. | Bikash More | 50,000 | 10.62% |
| 5. | Kamal Grover | 50,000 | 10.62% |
| Total | | 4,70,600 | 100% |

Our Subsidiaries

As of the date of this Draft Prospectus, our Company has no subsidiary company.

Joint Venture

As of the date of this Draft Prospectus, our Company does not have any joint venture.

Shareholders' agreements and other agreements

Key terms of shareholders' agreements

There are no subsisting shareholder's agreements among our Shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

Agreements with Key Managerial Personnel, Director, Promoters or any other employee

There are no agreements entered into by our Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by Promoters offering its shares in the Offer for Sale

As of the date of this Draft Prospectus, offer for sale is not applicable.

Other agreements

Our Company has not entered into any other subsisting material agreement, including with strategic partners or financial partners, other than in the ordinary course of business except as mentioned under chapter titled "**Material Contracts and Documents for Inspection**" on page 366.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors on the Board, subject to the applicable provisions of the Companies Act, 2013. As on date of filing this Draft Prospectus, we have 6 (Six) Directors on our Board including 1 Managing Director, 1 Whole-Time Director, 1 Non- Executive Director and 3 Independent Directors.

Sets forth below are the details regarding our Board as on the date of this Draft Prospectus:

| Name, Age, Designation/Occupation, Address, Din No., Term, Occupation & Nationality | Age (Years) | Other Directorships |
|---|-------------|--|
| <p>Alok Kumar Agarwal S/o. Bhagatram Agarwal Designation: Non- Executive Director Date of Birth: January 5, 1969 Address: 166 SFS Apartment, HauzKhas S.O., South West Delhi, Delhi -110016 DIN: 02713687 Occupation: Business Term: For a period of 5 years, with effect from May 02, 2023, subject to retirement by rotation. Period of Directorship: Director since incorporation Nationality: Indian</p> | 54 | <p><i>Companies</i></p> <ul style="list-style-type: none"> ● ASC Consulting Pvt Ltd ● Kayval Vision Fund Pvt Ltd ● SKM Realcon Pvt Ltd ● BSP Freedo Pvt Ltd ● Interstellar Testing Centre Pvt Ltd <p><i>Foreign Companies:</i></p> <ul style="list-style-type: none"> ● ASC Consulting PTE. LTD.(Singapore) <p><i>LLP</i></p> <ul style="list-style-type: none"> ● Efreakz Technologies LLP ● ASC Insolvency Services LLP ● A S C B S R and Company LLP |
| <p>Kamal Grover S/o. Kishan Chand Grover Designation: Whole Time Director Date of Birth: August 19, 1979 Address: House no. 472, 1st Floor, Sector 2, Panchkula, Sector 8, Panchkula, Haryana - 134109 DIN: 07429267 Occupation: Business Term: For a period of 5 years, with effect from May 02, 2023, not subject to retirement by rotation. Period of Directorship: He was originally appointed as an Additional Director on May 18, 2018. Further, on September 27, 2019 he was appointed as a Director of the</p> | 44 | <p><i>Companies</i></p> <ul style="list-style-type: none"> ● Interstellar Testing Centre Private Limited ● TIC Services Private Limited <p><i>Foreign Companies:</i></p> <p>Nil</p> <p><i>LLP</i></p> <p>Nil</p> |

| | | |
|---|----|--|
| Company and thereafter re- designated as a Whole Time Director as on May 02, 2023. Nationality: Indian | | |
| Antaryami Nayak S/o. Anadi Charan Nayak Designation: Managing Director Date of Birth: January 28, 1971 Address: C-249, near APJ School, Sheikh Sarai, Phase-I, New Delhi, South Delhi, Delhi 110017 DIN: 07232463 Occupation: Business Term: For a period of 5 years, with effect from May 02, 2023, not subject to retirement by rotation Period of Directorship: He was originally appointed as a Director on June 1, 2018 and resigned on February 22, 2019. Further on January 9, 2023 he was reappointed as an Additional Director of the Company and thereafter re-designated as a Managing Director as on May 02, 2023 Nationality: Indian | 52 | <i>Companies</i> <ul style="list-style-type: none"> ● Interstellar Testing Centre Private Limited ● TIC Services Private Limited ● ASC Outsourcing Private Limited ● Segrow Services Private Limited ● BSP Freedo Private Limited <i>Foreign Companies:</i> Nil <i>LLP</i> Nil |
| Sulabh Jain S/o. Ravindra Kumar Jain Designation: Independent Director Date of Birth: May 10, 1994 Address: F-225 U/G/F, Main Mangal Bazar, Laxmi Nagar, East Delhi, Delhi-110092 DIN: 07739598 Occupation: Professional Term: For a period of 5 years, with effect from May 02, 2023 to May 01, 2028, subject to not liable to retire by rotation Period of Directorship: Director since May 02, 2023 Nationality: Indian | 29 | <i>Companies</i> <ul style="list-style-type: none"> ● Credent Global Finance Limited <i>Foreign Companies:</i> Nil <i>LLP</i> Juris Advisors LLP |
| Shubhangi Agarwal D/o. Rajeev Kumar Garg Designation: Independent Director | 33 | <i>Companies</i> <ul style="list-style-type: none"> ● Synokem Pharmaceuticals Limited |

| | | |
|--|----|---|
| <p>Date of Birth: June 23, 1990 Address: B 3/22 Third Floor, Rana Pratap Bagh, VTC: Rana Pratap Bagh, PO: Malka Ganj, District: North Delhi, State: Delhi, PIN Code: 110007 DIN: 08135535 Occupation: Professional Term: For a period of 5 years, with effect from May 02, 2023 to May 01, 2028, subject to not liable to retire by rotation Period of Directorship: Director since May 02, 2023 Nationality: Indian</p> | | <ul style="list-style-type: none"> ● Credent Global Finance Limited ● Shigan Quantum Technologies Limited ● Algoquant Fintech Limited <p><i>Foreign Companies:</i> Nil</p> <p><i>LLP</i> Shehad Veda LLP</p> |
| <p>Manish Wahi S/o. Umesh Wahi Designation: Independent Director Date of Birth: September 15, 1993 Address: Plot No. 898, FF-4, NitiKhand 1, Indirapuram, near Orange County, Shipra Sun City, Ghaziabad, Uttar Pradesh, 201 014 DIN: 09785936 Occupation: Professional Term: For a period of 5 years, with effect from May 02, 2023 to May 01, 2028, subject to not liable to retire by rotation Period of Directorship: Director since May 02, 2023 Nationality: Indian</p> | 30 | <p><i>Companies</i></p> <ul style="list-style-type: none"> ● Share India Fincap Private Limited <p><i>Foreign Companies:</i> Nil</p> <p><i>LLP</i> Nil</p> |

Brief Profile of the Directors of our Company

Mr. Alok Kumar Agarwal

Chartered Accountant, Insolvency Professional

Mr. Alok Kumar Agarwal is a successful entrepreneur with over 27 years of experience. He is involved into business related advisory services. After more than 20 years of successful venture in finance, consulting, advisory and taxation field, Mr. Agarwal ventured in testing, inspection and certification (TIC) business by establishing TIC Services Private Limited. Subsequently he established our Company for testing, inspection and certification business in the year 2018. Both ITC and Qualitek have demonstrated a growth and Mr. Agarwal is responsible for strategic investment, management of funds, expansion, getting new businesses and setting up appropriate control mechanism in the business.

Mr. Kamal Grover

Mechanical Engineer, Post graduate diploma in marketing management

Mr. Kamal Grover has an extensive experience of more than 20 years. He was a Sr. Manager - Business Development(Marketing) at Bureau Veritas Consumer Product Services (I) Pvt. Ltd. Mr. Grover is currently responsible for entire Sales of TIC Service Group of Companies including Interstellar Testing Centre Private Limited and our Company. He has successfully managed to empanel various marquee clients.

Mr. Antaryami Nayak:**Cost Accountant**

Mr Antaryami Nayak has a vast experience in the corporate world particularly in testing, inspection and certification Sector. He has worked with Companies like Avery Dennison (India) Pvt. Ltd. and Bureau Veritas Consumer Product Services (I) Pvt. Ltd which is a testing, inspection and certification player in the world. He was the Regional Financial Director for South Asia & South East Asia of Bureau Veritas, the French Multinational. He holds a strong background in financial performance, business strategy, expansion, M&A aiming to multiply shareholder's value and proving to be a magnum opus in delivering revenue growth. He is currently Director of TIC Services Private Limited and is responsible for Interstellar Testing Centre Private Limited and our Company. He deals with various regulatory and government bodies and ensures that the various standards and norms set up by regulatory bodies are duly taken care.

Sulabh Jain**Company Secretary**

Sulabh Jain is a Commerce graduate and an associate member of the Institute of Company Secretaries of India and has a prolonged practical experience of various regulatory compliances of the Companies Act, RERA, firms, LLP, OPC, Societies etc. He has experience in secretarial audit, approvals of the Ministry of Corporate Affairs, compounding of offences under the provisions of the Companies Act, 2013, corporate governance auditors, FEMA compliances, RERA compliances and management consultants. He has now 7 years of experience as company secretary.

Shubhangi Agarwal**Company Secretary**

Shubhangi Agarwal is a Commerce graduate and an associate member of the Institute of Company Secretaries of India and is a consultant and advisor in Corporate Laws with more than 7 years of work experience. She is the founder of M/s Shubhangi Agarwal & associates established in the year 2017, to provide research driven legal consulting services to the clients. She has experience in dealing with various regulatory authorities such as Registrar of Companies, regional director, National Company Law Tribunal, Ministry of Corporate Affairs, Reserve bank of India, official liquidator and other judicial authorities.

Manish Wahi**Chartered Accountant**

Manish Wahi has more than 4 years of experience as a consultant and advisor in laws relating to direct tax, indirect tax and statutory audit. He deals in practise areas including risk management, taxation and legal compliance monitoring system. He is the founder of M/s Manish Wahi & Associates, established in 2018,

to provide research taxation consulting. He has experience in dealing with various regulatory authorities such as GST department, Income Tax department, revenue department and other judicial authorities.

Confirmations as on the date of this Draft Prospectus

1. *None of the above-mentioned Directors are on the RBI List of willful defaulters as on date of this Draft Prospectus.*
2. *None of the above-mentioned Directors have been and/or are being declared as fugitive economic offenders as on date of this Draft Prospectus*
3. *None of our Directors is or was a Director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Prospectus, during the term of their directorship in such company.*
4. *None of our Directors is, or was, a Director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.*
5. *There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.*

Relationship between Directors and Between our Directors and Key Managerial Personnel

None of the Directors are related to each other or to any of the Key Managerial Personnel as per section 2(77) of the Companies Act, 2013.

Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company.

Pursuant to a special resolution passed on May 2, 2023, our Shareholders in the Extra Ordinary General Meeting accorded their consent to our Board to borrow from time to time any sum or sums of money on such security and on such terms and conditions as the Board deem fit and as may be required under Section 180(1)(c) of the Companies Act, 2013. Such power to borrow is subject to the condition that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 500 crores (Rupees Five Hundred Crores only). For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 347 of this Draft Prospectus.

TERMS OF APPOINTMENT OF THE MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND DIRECTORS OF OUR COMPANY

Terms and conditions of employment of our Managing Director

Mr. Antaryami Nayak

Mr. Antaryami Nayak was appointed as the Managing Director of the Company with effect from May 2, 2023 for a period of 5 years pursuant to a Board resolution dated April 29, 2023 and resolution of Shareholders at their EGM dated May 2, 2023. He is entitled to the following remuneration and perquisites with effect from May 2, 2023.

| | |
|---|--|
| Date of contract appointing /fixing the remuneration | May 2, 2023 |
| Term of Contract | 5 years w.e.f. May 2, 2023 |
| Remuneration | Rs. 75,000/- per month, subject to annual increment determined by the Board on the recommendation of the Nomination and Remuneration Committee. |
| Other Terms and Conditions/ Perquisites and allowances of expenses | <ol style="list-style-type: none">1. Medical expenses reimbursement: Medical benefits as per rules of the Company for self and family, as applicable to the officers of the Company.2. Leave travel concession: for self and family once in a year as per the rules of the Company.3. Club fees: Payment of fees of clubs subject to a maximum of two clubs (including admission or entrance fees and monthly or annual subscriptions)4. Encashment of leave: Encashment of leave at the end of the tenure as per the rules of the Company.5. Reimbursement of actual travelling and entertainment expenses: The reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.6. Reimbursement of expenses on mobile phone and landline at residence: As per rules of the Company.7. Provision of Company's car and driver: Free use of the chauffer driven company's car and fuel expenses for use of Company's business as well as own use, in line with the position of Managing Director8. Provident fund, superannuation and gratuity: As per rules of the Company |

Mr. Kamal Grover

Mr. Kamal Grover was appointed as the Whole Time Director of our Company with effect from May 2, 2023 for a period of 5 years pursuant to a Board resolution dated April 29, 2023 and resolution of Shareholders at their EGM dated May 2, 2023. He is entitled to the following remuneration and perquisites with effect from May 2, 2023.

| | |
|---|--|
| Date of contract appointing /fixing the remuneration | May 2, 2023 |
| Term of Contract | 5 years w.e.f. May 2, 2023 |
| Remuneration | Rs. 50,000/- per month |
| Other Terms and Conditions/ Perquisites and allowances of expenses | Reimbursement for the travel, hotel and other incidental expenses incurred in the performance of the role and duties |

Terms of appointment of our Non-Executive Director and Independent Director

Pursuant to EGM Resolution dated May 2, 2023, Non-Executive Director and Independent Director is entitled to receive sitting fees as fixed by the Board from time to time, for attending meetings of the Board and meetings of the Committee of the Board, within the limit prescribed under the Companies Act, 2013 and the rules made thereunder.

REMUNERATION/COMPENSATION PAID TO DIRECTORS

None of our Directors has been paid any remuneration by our Company in Fiscal Year 2023

Non-Executive Director and Independent Directors

The Board have re-appointed Alok Kumar Agarwal as Non-Executive Director pursuant to EGM Resolution dated May 02, 2023. Our Shareholders appointed Sulabh Jain, Shubhangi Agarwal and Manish Wahi as Independent Directors by resolution dated May 2, 2023. Consequently, these Directors have not been paid any sitting fees during Fiscal 2023.

In Fiscal 2022, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration, sitting fees and/or commission paid to them for such period.

REMUNERATION PAID BY OUR SUBSIDIARIES

As of the date of this Draft Prospectus, our Company has no subsidiary company.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for the Directors

Our Company does not have any bonus or profit-sharing plan for our Directors.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of filing of this Draft Prospectus, except the following, none of our Directors hold any Equity Shares of our Company. The shareholding of our Directors in our Company as of the date of filing this Draft Prospectus, is set forth below

| Sr. No. | Name of Director | No. of Shares held in our Company | % of pre-issue Equity Share Capital | % of post-issue Equity Share Capital |
|---------|---------------------|-----------------------------------|-------------------------------------|--------------------------------------|
| 1. | Alok Kumar Agarwal* | 01 | Negligible | Negligible |
| 2. | Kamal Grover* | 01 | Negligible | Negligible |
| 3. | Antaryami Nayak* | 01 | Negligible | Negligible |
| | TOTAL | 03 | Negligible | Negligible |

**Equity shares as held by Alok Kumar Agarwal, Kamal Grover and Antaryami Nayak as nominee shareholders of our Promoter TIC Services Private Limited, for which our Promoter, TIC Services Private Limited is the beneficial owner.*

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

As on the date of the filing of this Draft Prospectus, Our Company has no subsidiary company and no associate company.

Interest of Directors

All our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to each of them, by our Company. The reimbursement of expenses payable to them, as approved by our Board, our Non-Executive Director or Independent Directors may be deemed to be interested to the extent the sitting fees and commission, if any, payable to them for attending meetings of our Board and / or committees thereof as approved by our Board and/ or Shareholders, the reimbursement of expenses payable to them, as approved by our Board.

Our Directors may be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the issue and any dividend and other distributions payable in respect of such Equity Shares. For further details, refer to chapter titled “**Related Party Transactions**” and “**Our Promoters and Promoter Group**” beginning on page 185 and 174 respectively.

Except as stated in the Draft Prospectus, no sum has been paid or agreed to be paid to our Directors or to

firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in promotion of Our Company

Except, Alok Kumar Agarwal, Antaryami Nayak and Kamal Grover, who are Individual promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company as on the date of this Draft Prospectus.

Interest in the property of Our Company

Save and except as stated otherwise in ***“Our Properties”*** within the chapter titled ***“Our Business”*** on page no. 132 and in ***“Related Party Transactions”*** of Restated Standalone Financial Statements in the chapter titled ***“Financial Statements as Restated”*** beginning on page no. 187 of this Draft Prospectus:

1. Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of this Draft Prospectus;
2. Our Directors do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company as on the date of this Draft Prospectus;
3. 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 as on the date of this Draft Prospectus.

Interest in the business of Our Company

Save and except as stated otherwise in ***“Related Party Transactions”*** of Restated Standalone Financial Statements in the chapter titled ***“Financial Statements as Restated”*** beginning on page no. 187 of this Draft Prospectus, our Directors do not have any other interests in our Company and/or our business as on the date of this Draft 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.

Interest as a creditor of Our Company

Except as stated in the ***“Related Party Transactions”*** of Standalone Financial Statements on page no. 187 and chapter titled ***“Financial Indebtedness”*** on page no. 260 in the chapter titled ***“Financial Statements as Restated”*** beginning on page no. 187 of this Draft Prospectus:

1. Our Company has not availed any loans from our Directors of our Company as on the date of this Draft Prospectus;
2. None of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

Interest as Director of our Company

Except as stated in the chapter titled ***‘Our Management, ‘Capital Structure’*** and ***‘Related Party***

Transactions' beginning on page no. 156, 79 and 185 respectively of this Draft 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.

Details of Service Contracts

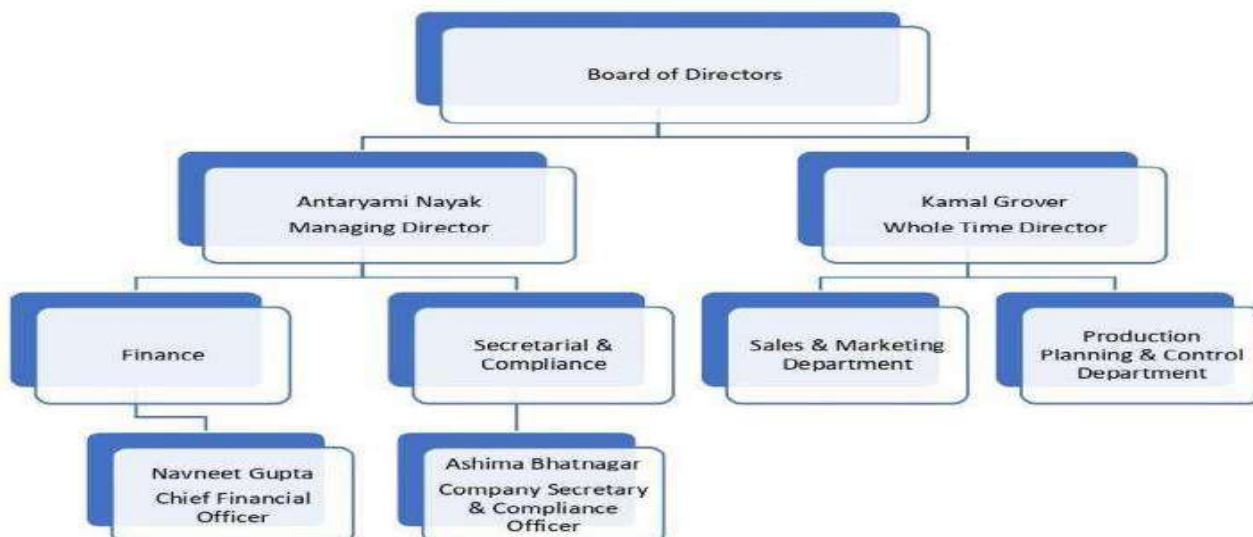
Except as stated in the **'Related Party Transactions'** on page no. 185 and in the Chapter titled **"Financial Indebtedness"** of our Company on page no. 260 of this Draft Prospectus, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment.

Changes in the Board in last three years

Except as mentioned below, there has been no change in the Board of Directors in the last three years:

| Sr No. | Name | Date of Event | Nature of Event | Reason |
|--------|-------------------|------------------|-----------------|-----------------------------------|
| 1. | Anju Agarwal | January 09, 2023 | Cessation | Resignation as Director |
| 2. | Antaryami Nayak | January 09, 2023 | Re-appointment | Re-appointment as Director |
| 3. | Sulabh Jain | May 02, 2023 | Appointment | Appointed as Independent Director |
| 4. | Shubhangi Agarwal | May 02, 2023 | Appointment | Appointed as Independent Director |
| 5. | Manish Wahi | May 02, 2023 | Appointment | Appointed as Independent Director |

ORGANIZATIONAL STRUCTURE OF THE COMPANY



Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI LODR Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI LODR Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI LODR Regulations and in accordance with best practices in corporate governance. The Board function either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

Currently, our Board has 6 (Six) Directors out of which three are independent Directors. Shubhangi Agarwal is the woman Director of our Company.

Committees of the Board

The following committees have been formed in compliance with the corporate governance norms:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibility Committee

AUDIT COMMITTEE

The Audit Committee was constituted vide Board resolution dated May 09, 2023, pursuant to section 177 of the Companies Act, 2013. As on the date of this Draft Prospectus the Audit Committee consists of the following Directors:

| Name of Director | Designation in the Committee | Nature of directorship |
|--------------------|------------------------------|------------------------|
| Sulabh Jain | Chairperson | Independent Director |
| Shubhangi Agarwal | Member | Independent Director |
| Alok Kumar Agarwal | Member | Non-Executive Director |

Our Company Secretary of the Company, Ashima Bhatnagar would act as the secretary of 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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the

replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of Section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the Board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in Draft Prospectus notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an Audit Committee pursuant to provision of the Companies Act, the said Audit Committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise if it considers necessary
5. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Quorum and Meetings

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

Stakeholder`s Relationship Committee

The Shareholders and Investors Grievance Committee have been formed by the Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 read with regulation 20 of SEBI Regulations 2015

at the meeting held on May 09, 2023.

As on the date of this Draft Prospectus, the Shareholders and Investors Grievance Committee consists of the following:

| Name of Director | Designation in the Committee | Nature of directorship |
|-------------------------|-------------------------------------|-------------------------------|
| Alok Kumar Agarwal | Chairman | Non-Independent Director |
| Kamal Grover | Member | Whole - Time Director |
| Sulabh Jain | Member | Independent Director |

Our Company Secretary and Compliance Officer of the Company, Ashima Bhatnagar would act as the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013 and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Allotment of shares, monitoring and approving 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;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

Nomination and Remuneration Committee

The constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors pursuant to section 178 of the Companies Act, 2013 held on May 09, 2023.

As on the date of this Draft Prospectus the Remuneration Committee consists of the following Directors:

| Name of Director | Designation in the Committee | Nature of directorship |
|-------------------------|-------------------------------------|-------------------------------|
| Alok Kumar Agarwal | Member | Non-Executive Director |

| | | |
|-------------------|-------------|----------------------|
| Shubhangi Agarwal | Chairperson | Independent Director |
| Manish Wahi | Member | Independent Director |

Our Company Secretary and Compliance Officer of the Company, Ashima Bhatnagar would act as the secretary of the Nomination and Remuneration Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
5. To recommend to the Board, the remuneration packages i.e., salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
6. To implement, supervise and administer any share or stock option scheme of our Company; and
7. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven days' notice in advance.

Corporate Social Responsibility Committee

Our Company has constituted a Corporate Social Responsibility Committee under section 135 of the Companies Act, 2013 and Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee was constituted vide resolution passed at the meeting of the Board of Directors held on May 09, 2023.

The Corporate Social Responsibility Committee comprises the following Directors:

| Name of Director | Designation in the Committee | Nature of directorship |
|--------------------|------------------------------|------------------------|
| Alok Kumar Agarwal | Member | Non-Executive Director |
| Antaryami Nayak | Chairperson | Managing Director |
| Manish Wahi | Member | Independent Director |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate Social Responsibility Committee.

The scope and function of the Corporate Social Responsibility Committee and its terms of reference shall include the following:

1. **Tenure:** The Corporate Social Responsibility 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 Corporate Social Responsibility Committee as approved by the Board.
2. **Meetings:** The Committee shall meet as and when the need arise for review of CSR Policies. The quorum for the meeting shall be one third of the total strength of the Committee or two members whichever is higher.
3. **Role of the Corporate Social Responsibility Committee not limited to but includes:**
 - a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013.
 - b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - c) monitor the Corporate Social Responsibility Policy of the Company from time to time.
 - d) Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).

All other activities as informed or delegated by the Board of Directors from time to time.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, after listing of our Company's Equity Shares on the Stock Exchange in India. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Company Secretary and Compliance Officer, Ashima Bhatnagar is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Antaryami Nayak, Managing Director of our Company. For details see the section titled, "**Brief Profile of Our Directors**" and "**Remuneration/Compensation paid to Directors**".

Kamal Grover, Whole-Time Director of our Company. For details see the section titled, “**Brief Profile of Our Directors**” and “**Remuneration/Compensation paid to Directors**”.

Navneet Gupta, Chief Financial Officer and Chartered Accountant

Navneet Gupta, aged 36 years, is the Chief Financial Officer of our Company. He is a qualified Chartered accountant. He has more than 12 years of post-qualification experience in accounting, financial planning & analysis and business finance. He has led the finance function of several companies such as Interstellar Testing Centre Private Limited, BT Global Business Services Pvt Ltd., HT Media Ltd - Radio Division, Bureau Veritas Consumer Products Services (I) Pvt. Ltd and BSR and Company.

Ashima Bhatnagar, Company Secretary and Compliance Officer

Ashima Bhatnagar is an associate company secretary of the Institute of Company Secretaries of India having almost seven years of experience in the areas of teaching, secretarial functions, listing / delisting affairs, statutory compliances, IBBI compliances, liaison work, MCA-21, drafting legal documents, also well versed with the provisions of Companies Act, & other statutory laws with proficiency in conducting meetings and also has a prolonged practical experience in various sectors such as management trainee at Delhi Stock Exchange, as an Associate at law firm and other such experiences.

Relationship between Key Managerial Personnel

None of the other Key Managerial Personnel are related to each other within the meaning of Section 2(77)of the Companies Act, 2013.

Arrangement and Understanding with Major Shareholders, Customers, Suppliers or Others

As on the date of this Draft Prospectus, none of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel other than the Directors

Except Antaryami Nayak and Kamal Grover, as disclosed in the section entitled “**Shareholding of Directors in our Company**”, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Changes in Key Managerial Personnel during the last three years

Following have been the changes in the Key Managerial Personnel during the last three years:

| Sr. No. | Name | Date of Event | Nature of Event | Remarks |
|---------|------------------|------------------------------|-----------------|--|
| 1. | Navneet Gupta | 29 th April, 2023 | Appointment | Appointment as Chief Financial Officer |
| 2. | Ashima Bhatnagar | 29 th April, 2023 | Appointment | Appointment as Company Secretary |

| | | | | |
|----|-----------------|---------------------------|-----------------------|-----------------------------------|
| | | | | |
| 3. | Antaryami Nayak | 2nd May, 2023 | Change in designation | Designated as Managing Director |
| 4. | Kamal Grover | 2 nd May, 2023 | Change in designation | Designated as Whole-Time Director |

For details of change in the Directors of our Company, please see the section entitled ***“Changes in the Board of Directors during the last three years”***.

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 accrued for the Fiscal 2022.

Scheme of Employee Stock Options or Employee Stock Purchase (ESOP/ESPS SCHEME)

Our Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme or any other similar scheme giving options in our Equity Shares to our employees.

Attrition to Key Managerial Personnel

As on the date of filing of this Draft Prospectus, history of attrition rate of our Key managerial personnel of our company is not higher than the industry attrition rate.

Payment of Benefits to our Key Managerial Personnel (Non- Salary Related)

Except for the payment of salaries, perquisites and reimbursement of expenses incurred in the ordinary course of business and as disclosed in ***‘Related Party Transactions’*** under the chapter ***‘Financial Statements as Restated’*** beginning on page no. 187 we do not have any performance linked bonus or profit sharing plan with any of our Key Managerial Personnel. Except as stated in the Draft Prospectus we have not paid/ given any other benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Prospectus.

Retirement and Termination Benefits

Our Key Managerial Personnel have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel is entitled to any benefit upon termination of employment or superannuation.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company as on the date of this Draft Prospectus are:



1. Alok Kumar Agarwal.
2. Antaryami Nayak
3. Kamal Grover
4. TIC Services Private Limited


As on the date of this Draft Prospectus, the shareholding of our Promoters in the Company is as follows:

| Sr. No. | Name of Promoter | % of Pre-Issue Paid-Up Share Capital |
|---------|------------------------------|--------------------------------------|
| 1. | TIC Services Private Limited | 99.99 |
| 2. | Kamal Grover | Negligible |
| 3. | Antaryami Nayak | Negligible |
| 4. | Alok Kumar Agarwal | Negligible |

For details on shareholding of our Promoters in our Company, see chapter titled “**Capital Structure**” on page 79 of this Draft Prospectus.

Brief profile of our individual Promoters is as under:

| | |
|--|---|
| <p>Alok Kumar Agarwal</p>  | <p>Alok Kumar Agarwal, aged 54 years, is one of our Promoter and is also the Non-Executive Director on our Board. For the complete profile of Alok Kumar Agarwal along with details of his date of birth, personal address, educational qualifications, professional experience, position/posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please refer to the chapter titled “Our Management” beginning on page 156 of this Draft Prospectus.</p> <p>His PAN is ACTPA6973B</p> |
| <p>Antaryami Nayak</p>  | <p>Antaryami Nayak, aged 52 years, is one of our Promoter and is also the Managing Director on our Board. For the complete profile of Antaryami Nayak along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please refer to the chapter titled “Our Management” beginning on page 156 of this Draft Prospectus.</p> <p>His PAN is ADDPN0600P</p> |

| | |
|--|---|
| <p>Kamal Grover</p>  | <p>Kamal Grover, aged 43 years, is one of our Promoter and is also the Whole-Time Director on our Board. For the complete profile of Kamal Grover along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please refer to the chapter titled "<i>Our Management</i>" beginning on page 156 of this Draft Prospectus.</p> <p>His PAN is AGTPG7479C</p> |
|--|---|

DECLARATION BY OUR INDIVIDUAL PROMOTER

Our Company confirms that the permanent account number, bank account number, passport number, aadhaar number and driving license number of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Prospectus.

OUR CORPORATE PROMOTER

TIC SERVICES PRIVATE LIMITED ("TIC")

Corporate Information:

TIC was incorporated as a Private Limited Company under the provisions of the Companies Act, 2013 and a certificate of incorporation dated December 30, 2015, was issued by Registrar of Companies, Delhi. The registered office of TIC is situated at 166, DDA SFS Flats Hauz Khas New Delhi, Delhi 110016 India. The CIN of TIC is "**U93000DL2015PTC289025**".

TIC was originally incorporated to carry on the business of testing, analyzing, inspection of various products such as all type of food products in raw form, processed, semi processed & ingredients, pharmaceuticals products, environmental products, electrical & electronics, automotive products, apparels, footwear, textiles, hosiery, handbags, gadgets, furniture, beauty products, cosmetics, toys, soft toys, bicycles and other related items and to conduct studies on quality control, technical, managerial, environmental consultancy services including consulting services on running and setting up of laboratory quality control systems, on occupational hazard and safety, run training programs and courses in various laboratory techniques. The object of TIC was also to establish, maintain and run commercial laboratories, experimental stations and workshop for testing analyzing of materials such as metals, minerals, refractory, plastics, oil, water, waste water, sewage, soils, agricultural products, fertilizers, marine products, pharmaceuticals products and to carry out chemical tests and quality control checks, quality inspection services, consultancy services, technical support services and allied services & consumer products; It also provides safety certifications for products and to carry out social audit and factory audit services, to undertake and carry out research and investigations to process, improve and invest new and better techniques and methods of manufacturing products, improving patents or copyrights, which the company may acquire or deal with research investigations, experiments, tests that may assist any of the aforesaid business of the company; In furtherance of the above, it also carries the business of testing in health &

beauty products, cosmetics, ayurveda, homeopathy, naturopathy, all types of hard goods including packaging materials, building materials, handicraft products etc; purchase & sale of lab consumable, chemicals, printing & stationary & all other relevant items; and provide IT support services, outsourcing, staffing & recruitment services.

The main object clause of TIC has not been altered since incorporation.

Promoters of TIC

1. Mr. Alok Kumar Agarwal

Board of directors of TIC

The board of directors of TIC as on the date of this Draft Prospectus is:

| Sr. No | Name | Designation | DIN |
|--------|-----------------|---------------------|----------|
| 1. | Anju Agarwal | Director | 00501943 |
| 2. | Ruchi More | Director | 07154462 |
| 3. | Antaryami Nayak | Director | 07232463 |
| 4. | Kamal Grover | Director | 07429267 |
| 5. | Chandra Kumar | Additional Director | 08270943 |

Details of change in control of TIC

Our Promoter, Alok Kumar Agarwal and his immediate relative and director of TIC, Anju Agarwal together held 37.5% of the shareholding in TIC in financial year 2020-21, which increased to 46.88% in the financial year 2021-22. Except as disclosed hereinabove, there has been no change in control of TIC in the last three years preceding the date of this Draft Prospectus.

Capital Structure of TIC

The capital structure of TIC is as follows:

| Authorised share capital | Aggregate nominal value |
|---|-------------------------|
| 7,50,000 equity shares of Rs. 10/- each | Rs. 75,00,000 |
| Issued, subscribed and paid-up equity share capital | |
| 4,70,600 equity shares of Rs. 10/- each | Rs. 47,06,000 |

Shareholding Pattern of TIC

The equity shareholding pattern of TIC as on the date of this Draft Prospectus is as follows:

| Sr. No | Name of Shareholders | No. of equity shares held | Percentage (%) |
|--------|----------------------|---------------------------|----------------|
|--------|----------------------|---------------------------|----------------|

| | | | |
|----|--------------------|----------|--------|
| 1. | Alok Kumar Agarwal | 1,45,600 | 30.94% |
| 2. | Anju Agarwal | 75,000 | 15.94% |
| 3. | Antaryami Nayak | 1,50,000 | 31.87% |
| 4. | Kamal Grover | 50,000 | 10.62% |
| 5. | Bikas More | 50,000 | 10.62% |

DECLARATION BY OUR CORPORATE PROMOTER

Our Company confirms that the permanent account number, bank account number, the company registration number and the addresses of the registrar of companies where TIC is registered shall be submitted to the recognized stock exchanges on where the specified securities are proposed to be listed, at the time of filing the Draft Prospectus with them.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our existing Promoters namely Alok Kumar Agarwal and TIC Services Private Limited were also initial promoters of the Company and Our Promoters Kamal Grover and Antaryami Nayak subsequently became Promoters in our Company in the fiscal year 2023. Except this, there has been no change in our Promoters during the last 5 years.

Accordingly, as on the date of this Draft Prospectus, our Company has four promoters. For more information, please refer chapter titled ***“Our History and other corporate matter”*** and ***“Capital Structure - Build-up of Promoters’ Equity shareholding in our Company”*** on pages 151 and 84 of this Draft Prospectus.

Except as disclosed in chapter titled ***“Our Management”*** on page no 156 of this Draft Prospectus, there has been no change in management of our Company during the last 5 years.

PROMOTERS EXPERIENCE IN THE BUSINESS OF OUR COMPANY

Our Promoters have adequate experience in the line of business, including any proposed line of business, of our Company. For details in relation to experience of Promoters in the business of our Company, please refer to the chapter titled ***“Our Management”*** on Page 156 of this Draft Prospectus.

INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company, their directorship in our Company, the extent of their shareholding, dividend receivable, if any, to the extent of interest on loan granted to our Company and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our Promoters in our Company, please see the section titled ***“Capital Structure- Shareholding of the Promoters of our company”*** on page 84 of this Draft Prospectus.

Our Promoters, who are also Directors of our Company and may be deemed to be interested to the

extent of lease rent payable on properties leased to our Company, remuneration and / or reimbursement of expenses payable to them for services rendered to our Company in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any, and AOA of our Company. For details refer to the chapter titled **“Our Management”** beginning on page 156 of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

INTEREST IN PROPERTY, LAND, CONSTRUCTION OF BUILDING AND SUPPLY OF MACHINERY

Except as disclosed in the chapter titled **“Our Business - Properties”** on page 132 of the Draft Prospectus, our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY

Except as disclosed in **“Restated Standalone Financial Statements – Note – Related Party Transactions”**, **“Our Management”** beginning on pages 187 and 156, and as disclosed below, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during Fiscal 2023, Fiscal 2022.

MATERIAL GUARANTEE GIVEN BY OUR PROMOTERS TO THIRD PARTIES WITH RESPECT TO EQUITY SHARES

None of our Promoters have given material guarantees to the third party(ies) with respect to the specified securities of the Company. For further information, please refer to the details under the heading **“Capital Structure – Shareholding Pattern of Our Promoters”** on page 84 of Draft Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

A. Individuals related to our natural Individual Promoter:

| Name of the Promoter | Name of Relative | Relationship |
|-----------------------------|----------------------------------|---------------------|
| Alok Kumar Agarwal | Bhagatram Agarwal | Father |
| | Late Daya Devi Agarwal | Mother |
| | Anju Agarwal | Wife |
| | Arun Kumar Agarwal Arjun Agarwal | Brother(s) |
| | Usha Devi Agarwal Asha Agarwal | Sister(s) |

| | | |
|----------------------------|---|-------------------|
| | Aryan Sinhal | Son(s) |
| | Sarah Sinhal | Daughter(s) |
| | Laxman Prasad Agarwal | Wife's Father |
| | Meena Agarwal | Wife's Mother |
| | Amit Agarwal Samit Agarwal | Wife's Brother(s) |
| Mr. Kamal Grover | Kishan Chand Grover | Father |
| | Suman Grover | Mother |
| | Divya Grover | Wife |
| | Neetu Chawla | Sister(s) |
| | Aarav Grover | Son(s) |
| | Kavya Grover | Daughter(s) |
| | Veer Vikram | Wife's Father |
| | Preeti | Wife's Mother |
| | Nitish Bhardwaj | Wife's Brother(s) |
| | Sumita Patel | Wife's Sister(s) |
| Mr. Antaryami Nayak | Anadi Nayak | Father |
| | Late Sisirabala Nayak | Mother |
| | Sasmita Nayak | Wife |
| | Arabinda Nayak Amar Kumar Nayak | Brother(s) |
| | Arati Nayak Anjali Nayak | Sister(s) |
| | Aditi Baishnabi Krishna Madhvi | Daughter(s) |
| | Late Kalpataru Nayak | Wife's Father |
| | Smruti Mayee Nayak | Wife's Mother |
| | Kamalakanta Nayak Nigamananda Grahacharya Ramakanta Nayak | Wife's Brother(s) |

B. Body Corporate as a promoter, TIC Services Private Limited

1. A subsidiary or holding company of such body corporate:

- Except Qualitek Labs Limited, only Segrow Services Private Limited is a subsidiary company of TIC Services Private Limited

2. Body corporate in which the promoter holds twenty percent or more of the equity share capital and/or body corporate which holds twenty percent or more of the equity share capital of the promoter:

- Interstellar Testing Centre Private Limited
- Qualitek Labs Limited

C. Companies, firms, proprietorships and HUF's which form part of our Promoter group are as follows:

As per the extent of information available in relation to our Promoter group, there are no companies, firms, proprietorships and HUF's forming part of our Promoters group as on date of Draft Prospectus except mentioned below: -

1. ASC Consulting Private Limited

2. ASC Financial Services Private Limited
3. ASC Outsourcing Private Limited
4. Quality & Testing Infosolution Private Limited
5. ASC Advisory Services Private Limited
6. First Design Private Limited
7. BSP Freedo Private Limited
8. A S C B S R and Company LLP
9. ASC Insolvency Services LLP
10. Alok Kumar Agarwal HUF
11. Kayval Vision Fund Private Limited
12. SKM Realcon Private Limited
13. ASC Sourcing Solutions Private Limited
14. Aadhavan Energy Private Limited
15. Reyaansh Oil & Gas Private Limited
16. AKA Jewel Pourri Retail Private Limited
17. Segrow Services Private Limited
18. Interstellar Testing Centre Private Limited
19. Electrolucent Engineers Private Limited
20. ASC(S) Consulting PTE Ltd
21. Efreakz Technologies LLP
22. Royal Aradhana

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any firms or companies during the three years preceding on the date of filing this Draft Prospectus.

OUR GROUP COMPANIES / ENTITIES

In accordance with the provisions of the SEBI ICDR Regulations 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 Promoter) with which there were related party transactions during the period for which Restated Standalone Financial Statements have been disclosed in this Draft Prospectus, as covered under the applicable Accounting Standards (i.e., AS 18); and (ii) any other companies which are considered material by our Board.

Pursuant to the resolution dated August 21, 2023 our board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Indian GAAP, no other company is material in nature. The following companies are identified as Group Companies of Our Company:

- ASC Consulting Private Limited
- ASC Financial Services Private Limited
- Quality & Testing Infosolution Private Limited
- SKM Realcon Private Limited
- Interstellar Testing Centre 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 their respective websites except for Quality & Testing Infosolution Private Limited and SKM Realcon Private Limited, the audited financial statements (as applicable) of which are available at our Company's website as the website of Quality & Testing Infosolution Private Limited and SKM Realcon Private Limited is not available.

None of our Company, the Lead Manager or any of the Company's or the Lead Manager respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

DETAILS OF OUR GROUP COMPANY

The details of our Group Companies are as provided below:

ASC CONSULTING PRIVATE LIMITED (ASC Consulting)

Corporate Information:

ASC Consulting Private Limited was originally incorporated as "Indus Bandwidth Services Private Limited" as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 19, 2004 issued by the RoC. The name of the Company was changed to "ASC Consulting Private Limited" under the provisions of the Companies Act, 1956 vide fresh certificate of Incorporation dated July 11, 2008. The registered office of the company is situated at 73, National Park, Lajpat Nagar-IV, New Delhi, Delhi 110024, India. The Corporate Identification Number of the company U64202DL2004PTC125891.

Financial information:

The financial information derived from the audited financial statements of ASC Consulting for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.qualiteklab.com.

ASC FINANCIAL SERVICES PRIVATE LIMITED (ASC Financial Services)

Corporate Information:

ASC Financial Services Private Limited was originally incorporated as “Online Data Management Services Private Limited” as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 17, 2009 issued by the RoC. The name of the Company was changed to “ASC Financial Services Private Limited” under the provisions of the Companies Act, 2013 vide fresh certificate of Incorporation dated July 20, 2020. The registered office of the company is situated at 166, DDA SFS Flats, Hauz Khas, New Delhi, South Delhi, Delhi 110016 India. The Corporate Identification Number of the company U65100DL2009PTC321524.

Financial information:

The financial information derived from the audited financial statements of ASC Financial Services for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.qualiteklab.com.

QUALITY & TESTING INFOSOLUTION PRIVATE LIMITED (Quality & Testing Infosolution)

Corporate Information:

Quality & Testing Infosolution Private Limited was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 15, 2020 issued by the RoC. The registered office of the company is situated at C-100, Sector-2 Noida Gautam Buddha Nagar, Uttar Pradesh 201301, India. The Corporate Identification Number of the company U72900UP2020PTC136344.

Financial information:

The financial information derived from the audited financial statements of Quality & Testing Infosolution for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.qualiteklab.com. The financial information is available at our Company’s website as the website of Quality & Testing Infosolution Private Limited is not available.

SKM REALCON PRIVATE LIMITED (SKM Realcon)

Corporate information:

SKM Realcon Private Limited was incorporated as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 27, 2013 issued by the RoC. The registered office of the company is situated at 73 National Park, Lajpat Nagar-IV New Delhi South Delhi, Delhi 110024, India. The Corporate Identification Number of the company U72100DL2013PTC254550.

Financial information:

The financial information derived from the audited financial statements of SKM Realcon for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.qualiteklab.com. The financial information is available at our Company’s website as the website of SKM Realcon Private Limited

is not available.

INTERSTELLAR TESTING CENTRE PRIVATE LIMITED (Interstellar Testing Centre)

Corporate information:

Interstellar Testing Centre Private Limited was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated February 10, 2016 issued by the RoC. The registered office of the company is situated at 86, Industrial Area Phase-1 Panchkula, Panchkula, Haryana 134109, India. The Corporate Identification Number of the company U74999HR2016PTC058170.

Financial information:

The financial information derived from the audited financial statements of Interstellar Testing Centre for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.qualiteklab.com.

LITIGATION AGAINST GROUP COMPANIES

Except, as mentioned in the chapter titled, "*Outstanding Litigation and Material Developments*" beginning on page 265, Our Group Companies are not involved in any litigations which have a material impact on our company.

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 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 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

Interstellar Testing Centre is engaged in the business of testing and analysing of various products such as agricultural products, processed food, pharmaceutical products, beauty, food, cosmetics, health, water, textiles, hosiery, footwear, apparels, automotive products, electrical & electronics, toys, soft toys, bicycles, chemical, environmental products, metals, minerals, refractory, plastics, oils, waste, sewage, soils, fertilizers, marine products, quality control checks, quality inspection services, consultancy services,

technical support services, allied services, consumer products, and many more which is similar line of business as of our Company. Our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. For further details, see “**Risk Factor**” on page 30.

Conflict of Interest situations among Our Company and our Group Companies

The object clause or constitutional documents of Interstellar Testing Centre permits it to undertake similar business to that of our Company, which is in conflict of interest with the business of the Company. As a result, conflict of interests may arise in allocating business opportunities amongst our Company and in circumstances where our respective interests diverge. In addition, some of our Directors are also directors on the boards of Interstellar Testing Centre. These overlapping directorships could create conflicts of interest between us and the Promoters.

RELATED BUSINESS TRANSACTIONS WITH OUR GROUP COMPANIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in “**Restated Standalone Financial Statements – Notes to Restated Financial Statements – Note – Related party transactions**” on page 187 there are no other related business transactions amongst our Group Companies and Our Company.

BUSINESS INTERESTS OR OTHER INTERESTS

Except as disclosed in “**Restated Standalone Financial Statements– Notes to Restated Standalone Financial Statements –Note – Related party transactions**” on page 187, our Group Companies do not have any business interest in our Company.

Our Company has no associate company or any subsidiary as on the date of this Draft Prospectus.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to **Annexure XXX** of “***Restated Standalone Financial Statements***” beginning on page 187.

DIVIDEND POLICY

Under the Companies Act, 2013, a Company can pay dividends upon a recommendation by our Board of Directors and approval by the Shareholders at the general meeting of our Company. The Articles of Association of our Company give our Shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends as appear to the Board to be justified by the profits of the Company. 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 any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the Shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

DIVIDEND PAID ON EQUITY SHARES

Our Company has not declared any dividend on the Equity Shares in the past three financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

RESTATED STANDALONE FINANCIAL STATEMENT

J MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS



25 DDA, LSC, BLOCK M-1, VIKASPURI
NEW DELHI - 110018, DELHI
E-Mail: jmadanassociates@gmail.com
PH: 011-45508516, Mob: 9811785935
Website : http://jmadan.in/

Independent Auditor's Report on Restated Standalone Financial Information

To,

The Board of Directors
Qualitek Labs Limited
(Formerly known as "Qualitek Labs Private Limited")
73, National Park, Lajpat Nagar-IV,
New Delhi-110024

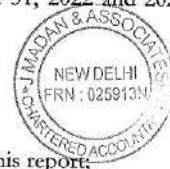
1. We have examined the attached restated financial information of **Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")** (hereinafter referred to as "**the Company**") comprising the restated standalone statement of assets and liabilities as at March 31, 2023, March 31, 2022 and 2021 restated standalone statement of profit and loss and restated cash flow statement for the financial year ended on March 31, 2023, March 31, 2022 and 2021 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the "**restated financial information**" or "**Restated Standalone Financial Information**") annexed to this report and initiated by us for identification purposes. These Restated Standalone Financial Information have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on SME Platform ("**IPO**" or "**SME IPO**") of BSE Limited ("**BSE**") of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part – I of Chapter III of 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 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**");
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note**")



3. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for inclusion in the Draft Prospectus/Prospectus ("Offer Document") to be filed with Securities and Exchange Board of India ("SEBI"), BSE and Registrar of Companies (Delhi) in connection with the proposed IPO. The Restated Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Standalone Financial Information. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Standalone Financial Information taking into consideration:
 - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
 - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information;
 - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The Restated Standalone Financial Information of the Company have been compiled by the management from standalone audited financial statements for the period/year ended on March 31, 2023, March 31, 2022 and 2021.
6. Audit for the financial year ended on March 31, 2023, was conducted by M/s. **J Madan & Associates** vide their report dt. August 21, 2023. Audit for the financial year ended on March 31, 2022 and March 31, 2021 was conducted by M/s SAPR & Co. LLP chartered accountants vide their report dt. September 01, 2022 and September 28, 2021 respectively. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Standalone Financial Information of the Company. The financial report included for these years is based solely on the report submitted by him.
7. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Standalone Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended on March 31, 2023, March 31, 2022 and 2021.
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;



- c) have no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
- d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
8. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (i) The “**restated standalone statement of asset and liabilities**” of the Company as at March 31, 2023, March 31, 2022 and 2021 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The “**restated standalone statement of profit and loss**” of the Company for the financial period/year ended on at March 31, 2023, March 31, 2022 and 2021 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “**restated standalone statement of cash flows**” of the Company for the financial period/year ended on at March 31, 2023, March 31, 2022 and 2021 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
9. 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/year ended on at March 31, 2023, March 31, 2022 and 2021 proposed to be included in the Offer Document.
10. **Annexure to Restated Standalone Financial Information of the Company:-**
- a) Restated Statement of Assets and Liabilities as appearing in Annexure I to this report;
- b) Restated Statement of Profit and Loss as appearing in Annexure II to this report;
- c) Restated Cash flow statement restated as appearing in Annexure III to this report;
- d) Corporate information and significant accounting policies as appearing in Annexure IV to this report;
- e) Details of Share Capital as restated as appearing in Annexure V to this report;
- f) Details of Reserves and Surplus as restated as appearing in Annexure VI to this report;
- g) Details of Long-Term Borrowings as restated as appearing in Annexure VII to this report;
- h) Details of Deferred Tax Assets/(Liability) as restated as appearing in Annexure VIII to this report;
- i) Details of Provisions as restated as appearing in Annexure IX to this report;
- j) Details of Short-Term Borrowings as restated as appearing in Annexure X to this report;
- k) Details of Trade Payables as restated as appearing in Annexure XI to this report;
- l) Details of Other Current Liabilities as restated as appearing in Annexure XII to this report;

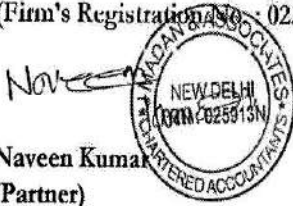


- m) Details of Property, Plant & Equipment and Intangible Assets as appearing in Annexure XIII to this report;
 - n) Details of Non-Current Investments as appearing in Annexure XIV to this report;
 - o) Details of Long-Term Loans & Advances as restated as appearing in Annexure XV to this report;
 - p) Details of Other Non-Current Assets as restated as appearing in Annexure XVI to this report;
 - q) Details of Trade Receivables as restated as appearing in Annexure XVII to this report;
 - r) Details of Cash and Bank Balance as restated as appearing in Annexure XVIII to this report;
 - s) Details of Short-Term Loans and Advances as restated as appearing in Annexure XIX to this report;
 - t) Details of Other Current Assets as restated as appearing in Annexure XX to this report;
 - u) Details of Revenue from Operations as restated as appearing in Annexure XXI to this report;
 - v) Details of Other Income as restated as appearing in Annexure XXII to this report;
 - w) Details of Direct Expenses as restated as appearing in Annexure XXIII to this report;
 - x) Details of Employee Benefit Expenses as restated as appearing in Annexure XXIV to this report;
 - y) Details of Finance Costs as restated as appearing in Annexure XXV to this report;
 - z) Details of Other Expenses as restated as appearing in Annexure XXVI to this report;
 - aa) Details of Deferred Tax Expense as restated as appearing in Annexure XXVII to this report;
 - bb) Details of bifurcative Other Income as restated as appearing in Annexure XXVIII to this report;
 - cc) Details of Earning per share as restated as appearing in Annexure XXIX to this report;
 - dd) Related Party Disclosure as restated as appearing in Annexure XXX to this report;
 - ce) Details of Foreign Currency Transactions as restated as appearing in Annexure XXXI to this report;
 - ff) Details of contingencies and commitments as restated as appearing in Annexure XXXII to this report;
 - gg) Disclosure related to MSME dues as restated as appearing in Annexure XXXIII to this report;
 - hh) Details of Additional Regulatory Information as restated as appearing in Annexure XXXIV to this report;
 - ii) Details of Gratuity (Disclosure under AS 15 as restated) as appearing in Annexure XXXV to this report;
 - jj) Restated Statement of Adjustments to Audited Financial Statement as appearing in Annexure XXXVI to this report;
 - kk) Adjustments having no impact on shareholder's funds and profit as appearing in Annexure XXXVII to this report;
 - ll) Statement of Capitalisation as on 31st March 2023 as appearing in Annexure XXXVIII to this report;
 - mm) Other Financial Information as restated as appearing in Annexure XXXIX to this report;
 - nn) Details of Contingent Liabilities & Commitments as restated as appearing in Annexure XL to this report;
 - oo) Statement of Tax Shelter as restated as appearing in Annexure XLI to this report;
11. 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 nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



13. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with SEBI, BSE and Registrar of Companies (Delhi) in connection with the proposed SME IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For J Madan & Associates
Chartered Accountants
(Firm's Registration No. 025913N)



Naveen Kumar
(Partner)

(M. No. 536759)

UDIN-23536759BGVXA01468

Place : DELHI

Date : 21/08/2023

Restated Standalone Financial Statements of QUALITEK LABS LIMITED

(Formerly known as "Qualitek Labs Private Limited")

CIN: U74999DL2018PLC334105

Annexure I

Restated Statement of Assets and Liabilities

| Particulars | Annexures | (Rs. In Lacs) | | |
|--|-----------|------------------------------|------------------------------|--------------------------------|
| | | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
| Equity and Liabilities | | | | |
| Shareholders' fund | | | | |
| Share Capital | V | 540.75 | 46.00 | 1.00 |
| Reserves and Surplus | VI | 445.77 | 143.61 | (23.96) |
| | | 986.52 | 189.61 | (22.96) |
| Non Current Liabilities | | | | |
| Long Term Borrowings | VII | 1033.89 | 19.88 | 25.07 |
| Deferred tax liabilities (Net) | VIII | 59.46 | 38.35 | 0.58 |
| Long Term Provisions | IX | 6.67 | 3.32 | 1.20 |
| | | 1099.81 | 61.54 | 26.85 |
| Current Liabilities | | | | |
| Short Term Borrowings | X | 1310.98 | 1708.80 | 1096.75 |
| Trade Payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 95.45 | 68.66 | 179.58 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | XI | 271.85 | 81.55 | 54.65 |
| Other Current Liabilities | XII | 188.28 | 109.40 | 124.72 |
| Short Term Provisions | IX | 2.71 | 0.30 | 0.29 |
| | | 1869.28 | 1968.71 | 1455.99 |
| TOTAL | | 3955.61 | 2219.86 | 1459.88 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, Plant and Equipment and Intangible Assets | | | | |
| (a) Property, Plant and Equipment | XIII | 1366.50 | 756.81 | 633.36 |
| (b) Capital Work In Progress | | 1485.20 | 447.15 | 447.15 |
| Non-Current Investment | XIV | | 0.70 | 0.70 |
| Deferred tax assets (net) | VIII | | | |
| Long Term Loans & Advances | XV | 110.93 | 166.05 | 72.23 |
| Other Non-Current Assets | XVI | 133.95 | 86.94 | 26.70 |
| | | 3096.57 | 1457.65 | 1180.14 |
| Current Assets | | | | |
| Trade Receivables | XVII | 582.57 | 219.28 | 120.23 |
| Cash and Bank Balances | XVIII | 34.59 | 101.86 | 13.14 |
| Short Term Loans and Advances | XIX | 230.50 | 439.93 | 145.38 |
| Other Current Assets | XX | 11.38 | 1.14 | 0.99 |
| | | 859.04 | 762.21 | 279.74 |
| TOTAL | | 3955.61 | 2219.86 | 1459.88 |

Summary of significant accounting policies and Notes to Accounts

The accompanying notes are an integral part of the financial statements.

As per our report of even date

Auditor's

J Madan & Associates


Chartered Accountants

For and on behalf of the Board of Directors of

Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")


NEW DELHI
FRN - 025913N

Naveen Kumar
Partner
M. No. 536759
FRN No. 025913N
Place: New Delhi
Date: 21/08/2023


Antaryami Nayak
Director
DIN - 07232463

Place: New Delhi
Date: 21/08/2023


Kamal Grover
Director
DIN - 07429267

Place: New Delhi
Date: 21/08/2023


Navneet Gupta
CFO

Place: New Delhi
Date: 21/08/2023


Ashama Bhatnagar
Company Secretary
M.No. A25655

Place: New Delhi
Date: 21/08/2023

Restated Standalone Financial statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC354105

Annexure II

Restated Statement of Profit and Loss

| Particulars | Notes | (Rs. In Lacs) | | |
|--|-------|------------------------------|------------------------------|--------------------------------|
| | | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
| Income | | | | |
| Revenue from operations | XXI | 1913.66 | 1196.57 | 635.49 |
| Other Income | XXII | 21.47 | 5.16 | 1.95 |
| Total Income (I) | | 1935.13 | 1201.73 | 637.44 |
| Expenses | | | | |
| Direct Expenses | XXIII | 424.73 | 189.43 | 150.81 |
| Employee Benefit Expense | XXIV | 365.67 | 335.63 | 128.14 |
| Finance costs | XXV | 69.65 | 31.92 | 1.08 |
| Depreciation & Amortization | XIII | 84.44 | 49.84 | 34.79 |
| Other Expenses | XXVI | 593.42 | 440.49 | 253.17 |
| Total expenses (II) | | 1537.91 | 1047.30 | 567.99 |
| Profit before tax | | 397.22 | 154.43 | 69.45 |
| Tax expenses | | | | |
| Current tax | | 79.20 | 3.08 | - |
| Deferred tax | XXVII | 21.11 | 37.77 | 23.34 |
| Total tax expense | | 100.31 | 40.85 | 23.34 |
| Profit for the year | | 296.91 | 113.57 | 46.11 |
| Earnings per equity share [Nominal value of share Rs.10] | | | | |
| Basic Earning Per Share | | 7.45 | 7.97 | 65.87 |
| Diluted Earning Per Share | XXIX | 7.45 | 7.97 | 65.87 |

Summary of significant accounting policies and Notes to Accounts

The accompanying notes are an integral part of the financial statements.

As per our report of even date

Auditor's

J Madan & Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")

| | | | | |
|--|---|--|---|--|
| <p>Naveen Kumar Partner M. No. 536759 FRN No. 025913N Place: New Delhi Date: 21/08/2023</p> | <p>Antaryami Nayak Director DIN - 07232463 Place: New Delhi Date: 21/08/2023</p> | <p>Kamal Grover Director DIN - 07429267 Place: New Delhi Date: 21/08/2023</p> | <p>Navneet Gupta CFO Place: New Delhi Date: 21/08/2023</p> | <p>Ashima Bhatnagar Company Secretary M.No.: A25655 Place: New Delhi Date: 21/08/2023</p> |
|--|---|--|---|--|

Restated Standalone Financial statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Annexure III

Restated Cash flow statement

| Particulars | (Rs. In Lacs) | | |
|--|------------------------------|------------------------------|--------------------------------|
| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
| Cash Flow From Operating Activities | | | |
| Net Profit Before Tax | 397.22 | 154.43 | 69.45 |
| Add: Depreciation | 84.44 | 49.84 | 34.79 |
| Add: Finance Cost | 69.65 | 31.92 | 1.08 |
| Add: Gratuity Expense | 5.52 | 2.12 | 0.41 |
| Less: Liability Written Back | (15.63) | (4.04) | (0.09) |
| Less: Interest Income | 0.02 | (0.04) | - |
| Add: Bad Debts | 0.46 | 0.35 | 0.11 |
| Operating Profit before Working Capital Changes | 541.66 | 234.57 | 105.74 |
| Changes in working Capital requirements | | | |
| (Increase)/Decrease in Trade receivable | (363.74) | (99.41) | (70.64) |
| (Increase)/Decrease in Other Assets | 42.73 | (160.35) | (0.99) |
| (Increase)/Decrease in Loans and advances | 239.53 | (331.14) | (65.16) |
| Increase/(Decrease) in other Current Liabilities | 94.51 | (11.28) | 91.82 |
| Increase/(Decrease) in Short Term Provision | 0.26 | - | - |
| Increase/(Decrease) in Trade Payable | 217.09 | (84.02) | 115.40 |
| Less:(Taxes Paid) /Refunded | 772.04 | (451.63) | 176.17 |
| Cash Flow From Operating Activities | 717.86 | (511.94) | 135.03 |
| Cash Flow From Investing Activities | | | |
| Purchase Of Property, Plants & Equipments | (1732.17) | (173.29) | (605.98) |
| Sale Of Property, Plants & Equipments | - | - | - |
| Sale/(Purchase) of Investments | 0.70 | - | (0.70) |
| Cash Flow From Investing Activities | (1731.47) | (173.29) | (606.68) |
| Cash Flow From Financing Activities | | | |
| Issue of Share Capital | 31.25 | 45.00 | - |
| Proceeds from Security Premium Reserve | 468.75 | 54.00 | - |
| Repayment of Long Term Borrowings | - | (5.19) | (613.76) |
| Proceed from Long Term Borrowing | 1013.81 | - | - |
| Change in Short term Borrowings | (397.82) | 612.05 | 1096.75 |
| Finance Cost | (69.65) | (31.92) | (1.08) |
| Cash Flow From Financing Activities | 1046.35 | 673.94 | 481.92 |
| Net Increase/(Decrease) in Cash and Bank Balance | A+B+C 32.73 | (11.28) | 10.27 |
| Add: Cash & Cash Equivalents as at the beginning of the year | 1.86 | 13.14 | 2.87 |
| Cash & Cash Equivalents as at the end of the year | 34.59 | 1.86 | 13.14 |

Summary of significant accounting policies and Notes to Accounts

The accompanying notes are an integral part of the financial statements.
As per our report of even date

Auditor's

J Madan & Associates

Chartered Accountants

For and on behalf of the Board of Directors of

Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")

Naveen Kumar
Partner
M. No. 536759
FRN No. 025913N
Place: New Delhi
Date: 21/08/2023

Antaryami Nayak
Director
DIN - 07232463
Place: New Delhi
Date: 21/08/2023

Kamal Grover
Director
DIN - 07429267
Place: New Delhi
Date: 21/08/2023

Navneet Gupta
CFO
Place: New Delhi
Date: 21/08/2023

Ashima Bhatnagar
Company Secretary
M.No.: A25655
Place: New Delhi
Date: 21/08/2023

Annexure IV: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

1 Corporate Information

"Qualitek Labs Limited ("the Company, Formerly Known as "Qualitek Labs Private Limited"), is incorporated in India as a company under the Companies Act, 2013. The Company is engaged in the business of providing testing, inspection and certification services in the fields of Automobiles, Electronics & Electricals, Pharmaceuticals, Food, Environment, Minerals etc. The Company operates state-of-the-art laboratories which are accredited with NABL and other accreditation bodies in India."

2 Restated Significant Accounting Policies

(i) Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

(ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumptions used are based on management evaluation of relevant facts and circumstances as on the date of financial statements. Actual results if they differ from those estimates are recognised prospectively in the current and future periods. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(iii) Revenue recognition

(a) Sale of services:

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The primary source of revenue of the Company is from providing testing, inspection and certification services. Revenue from rendering of services is recognized on accrual basis in accordance with the terms of underlying agreement.

Revenue from time and material contracts is recognised as and when the Company renders the service.

(b) Interest and Other income:

Interest income is accounted on accrual basis. Income other than interest income is accounted for when right to receive such income is established.

(iv) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). Cost comprises the purchase price and any costs of bringing the asset to its working condition for its intended use. When an asset is scrapped or otherwise disposed off, the cost and related accumulated depreciation are removed from the books of account and resultant profit or loss, (if any), is reflected in the Statement of Profit and Loss.

(v) Depreciation and amortisation

Depreciation on property, plant and equipment is provided on Straight line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

The Comparison of useful lives is as follows:

| Asset description | Useful life |
|-----------------------|-------------|
| Plant and equipment | 15 years |
| Computers and mobiles | 3 years |
| Office Equipments | 5 years |
| Vehicles | 8 years |
| Office Furnitures | 10 years |



Annexure IV: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

(vi) Impairment of assets

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. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

(vii) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits.

Post-Employment Benefits

(a) Defined Contribution Plans

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and (Miscellaneous Provisions) Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

(b) 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.

(viii) Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 recognise a decline other than temporary in the value of the long term investments.

(ix) Taxation

Tax expenses comprises of current tax and deferred tax.

(a) Current tax

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provision of Income Tax Act, 1961 as applicable to the financial year.

(b) Deferred tax

Deferred income-tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognised only to the extent that there is virtual certainty of realisation based on convincing evidence, as evaluated on a case to case basis.

(x) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(xi) Foreign currency transactions

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



Annexure IV: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

(xii) Provisions and Contingent Liabilities

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iii) present obligation, where a reliable estimate cannot be made.

When there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(xiii) Cash and cash equivalents

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(xiv) Preparation of Restated Financial Statements

As per SEBI (ICDR) Regulations, 2018, the financial information should be restated to ensure consistency in the presentation, disclosures, and the accounting policies for all the periods presented in line with that of the latest financial year. Thus, the financial statements are required to be restated or adjusted for:

- (a) change in accounting policies
- (b) incorrect accounting practices or failure to make provisions or for other significant errors and regrouping
- (c) change in accounting estimates
- (d) qualified opinion, adverse opinion, disclaimer of opinion

As per SEBI (ICDR) Regulations, 2018, it is necessary to prepare the restated standalone financial information considering above adjustments as per Schedule III to the Companies Act, 2013 for a period of three financial years in tabular form. The restated financial information shall be audited and certified by the statutory auditors who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

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Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure V: Share Capital as Restated

Authorised Shares capital

1,00,00,000 Equity Shares of Rs. 10/- each (5,00,000 equity shares of Rs. 10/-each on 31st March 2022 and 10,000 equity shares of Rs. 10/-each on 31st March 2021)

Issued, subscribed and fully paid-up shares capital

54,07,500 Equity Shares of Rs. 10/- each fully paid up (4,60,000 equity shares of Rs. 10/-each on 31st March 2022 and 10,000 equity shares of Rs. 10/-each on 31st March 2021)

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| 1000.00 | 50.00 | 1.00 |
| 540.75 | 46.00 | 1.00 |
| 540.75 | 46.00 | 1.00 |

Note: The Company issued 4635000 equity shares of Rs. 10/-each as bonus shares in the ratio of 6:1 and the same has been allotted on 1st Dec 2022.

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares:-

At the beginning of the period
Add: Issued during the year for consideration in cash
Add: Bonus shares issued during the year

Balance at the end of the period



| 31st March 23 | | 31st March 22 | | 31st March 21 | |
|---------------|-------------|---------------|-------------|---------------|-------------|
| In Nos. | Rs. in Lacs | In Nos. | Rs. in Lacs | In Nos. | Rs. in Lacs |
| 4,60,000 | 46.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| 3,12,500 | 31.25 | 4,50,000 | 45.00 | - | - |
| 46,35,000 | 463.50 | - | - | - | - |
| 54,07,500 | 540.75 | 4,60,000 | 46.00 | 10,000 | 1.00 |

b. Rights, preferences and restrictions attached to shares

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.

c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

S.No Shareholder Name
1 TIC SERVICES PVT. LTD.

| 31st March 23 | | 31st March 22 | | 31st March 21 | |
|---------------|-------|---------------|-------|---------------|-------|
| In Nos. | In % | In Nos. | In % | In Nos. | In % |
| 54,07,499 | 99.99 | 4,59,999 | 99.99 | 9,999 | 99.99 |
| 54,07,499 | 99.99 | 4,59,999 | 99.99 | 9,999 | 99.99 |

As per the records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes to Restated Financial Statement

(Rs. In Lacs)

d. Shares held by promoters at the end of the year

| S.No | Promoter Name | 31st March 23 | | | 31st March 22 | | | 31st March 21 | |
|------|---|---------------|-------|--------------------------|---------------|--------|--------------------------|---------------|--------------------------|
| | | In Nos. | In % | % change in shareholding | In Nos. | In % | % change in shareholding | In Nos. | % change in shareholding |
| 1 | TIC SERVICES PVT. LTD. | | | | | | | | |
| | At the beginning of the period | 4,59,999 | 99.99 | - | 9,999 | 99.99 | - | 9,999 | 99.99 |
| | Add: Issued during the year for consideration in cash | 3,12,500 | 100 | - | 4,50,000 | 100 | - | - | - |
| | Add: Bonus shares issued during the year | 46,34,994 | 99.99 | - | - | - | - | - | - |
| | At the end of the period | 54,07,493 | 99.99 | - | 4,59,999 | 99.99 | - | 9,999 | 99.99 |
| 2 | ALOK KUMAR AGARWAL | | | | | | | | |
| | At the beginning of the period | 1 | 0.01 | - | 1 | 0.01 | - | 1 | 0.01 |
| | Add: Issued during the year for consideration in cash | - | - | - | - | - | - | - | - |
| | Add: Bonus shares issued during | 6 | 0.01 | - | - | - | - | - | - |
| | At the end of the period | 7 | 0.01 | - | 1 | 0.01 | - | 1 | 0.01 |
| | | 54,07,500 | 100 | - | 4,60,000 | 100.00 | - | 10,000 | 100 |

Annexure VI: Reserve and Surplus as Restated

Share premium

Opening Balance
Add: Received during the year
Less: Bonus share issued
Closing Balance

Surplus/(deficit) in the statement of profit & loss

Opening Balance
Profit for the period/year
Closing Balance

Total reserves and surplus

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|---|------------------------------|------------------------------|------------------------------|
| Share premium | 54.00 | - | - |
| | 463.75 | 54.00 | - |
| | 463.50 | - | - |
| | 59.25 | 54.00 | - |
| Surplus/(deficit) in the statement of profit & loss | | | |
| Opening Balance | 89.61 | (23.96) | (70.07) |
| Profit for the period/year | 296.91 | 113.57 | 46.11 |
| Closing Balance | 386.52 | 89.61 | (23.96) |
| Total reserves and surplus | 448.77 | 143.61 | (23.96) |



Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure VII: Long Term Borrowings as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|------------------------------|
| Term Loan(Secured) | | | |
| From Banks | | | |
| Kotak Bank Loan | 1019.18 | - | - |
| Vehicle Loan(Secured) | | | |
| From Banks | | | |
| ICICI Bank | 14.51 | 19.88 | 25.07 |
| | 1033.69 | 19.88 | 25.07 |

| Nature of Security | Terms of Repayment | Applicable Interest Rate |
|---|---|--------------------------|
| Secured Loan of of Rs. 29,70,000 from ICICI Bank is secured by hypothecation of Car | Loan is repayable in 60 Equated Monthly Installments of Rs. 66,023 | 12% |
| Secured Loan of of Rs. 2,28,72,000 from Kotak Bank is secured existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) | Loan is repayable in 71 Equated Monthly installments of Rs. 3,65,672 and 1 installment of Rs. 7,73,174 | 9.40% |
| Secured Loan of of Rs. 5,66,78,000 from Kotak Bank is secured existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) | Loan is repayable in 71 Equated Monthly installments of Rs. 9,06,154 and 1 installment of Rs. 20,11,837 | 9.40% |
| Secured Loan of of Rs. 3,97,46,114 from Kotak Bank is secured existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) | Loan is repayable in 70 Equated Monthly installments of Rs. 6,53,716 and 1 installment of Rs. 5,64,735 | 9.40% |

Annexure VIII: Deferred Tax Assets/(Liability) as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|--|------------------------------|------------------------------|------------------------------|
| Deferred Tax Liability | | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial | (61.68) | (39.26) | (26.36) |
| Gross deferred tax liability | (61.68) | (39.26) | (26.36) |
| Deferred Tax Assets | | | |
| Business Loss are allowed to carried forward and set off u/s 72 of income tax act in the future year (To the extent considered realisable) | - | - | 25.32 |
| Unabsorbed Depreciation are allowable as deduction under section 32(2) under the income tax in the future year(To the extent considered realisable) | - | - | - |
| Pre incorporation expenses u/s 35D of Income Tax Act in future years | - | 0.08 | 0.16 |
| Impact of Provision for Gratuity | 2.23 | 0.84 | 0.30 |
| Gross deferred tax Assets | 2.23 | 0.92 | 25.78 |
| Net deferred tax Asset/(Liability) | (59.46) | (38.35) | (0.58) |

Annexure IX: Provisions as Restated

| | Non Current | | | Current | | |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
| Provision for Gratuity | 6.67 | 3.32 | 1.20 | 2.17 | 0.01 | 0.01 |
| Provision for Audit fees | - | - | - | 0.54 | 0.29 | 0.29 |
| | 6.67 | 3.32 | 1.20 | 2.71 | 0.30 | 0.29 |

Annexure X: Short Term Borrowings as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|--|------------------------------|------------------------------|------------------------------|
| Secured Loans | | | |
| A. Current Maturities of Long Term Borrowings | 136.24 | 595.31 | 302.69 |
| B. Bank Overdraft* | 336.58 | 293.54 | - |



Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Notes to Restated Financial Statement

(Rs. In Lacs)

Unsecured Loans

A. Loan from Related Parties

| | | | |
|--------------------------|----------------|----------------|----------------|
| TIC Services Pvt. Ltd. | 818.16 | 819.50 | 793.61 |
| Loan from Director | - | 0.44 | 0.44 |
| Loan from ASC Consulting | 20.00 | - | - |
| | 1310.98 | 1708.80 | 1096.75 |

| Nature of Security | Terms of Repayment | Applicable |
|---|---|------------|
| Secured Loan of of Rs. 29,70,000 from ICICI Bank is secured by hypothecation of Car | Loan is repayable in 60 Equated Monthly Installments of Rs. 66023 | 12% |
| Secured Loan of of Rs. 2,28,72,000 from Kotak Bank is secured existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) | Loan is repayable in 71 Equated Monthly installments of Rs. 3,65,672 and 1 installment of Rs. 7,73,174 | 9.40% |
| Secured Loan of of Rs. 5,66,78,000 from Kotak Bank is secured existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) | Loan is repayable in 71 Equated Monthly installments of Rs. 9,06,154 and 1 installment of Rs. 20,11,837 | 9.40% |
| Secured Loan of of Rs. 3,97,46,114 from Kotak Bank is secured existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307) | Loan is repayable in 70 Equated Monthly installments of Rs. 6,53,716 and 1 installment of Rs. 5,64,735 | 9.40% |
| Secured Loan of Rs. 6,00,00,000 from Axis Bank is secured against Industrial Property(Plot No. 40, Block C Sector-57, Noida,0,Uttar Pradesh-201301, India) | Loan is repayable in 179 equated monthly installments of Rs. 3,33,400 and 1 installment of Rs. 3,21,400 | 7.50% |
| Secured Loan of Rs. 2,55,00,000 from Hero Finance Is secured against property(Appt No. H2E 184, 18th Floor BLDG No. 2 Block E Westened Height DLF City Phase V, Gurgaon, Haryana) | Loan is repaid within 18 Equated Monthly installments of Rs. 3,04,336 and 1 installment of Rs. 2,47,17,690.** | 11.90% |
| Secured Loan of Rs. 50,73,014 from Hero Finance is secured against property(Appt No. H2E 184, 18th Floor BLDG No. 2 Block E Westened Height DLF City Phase V, Gurgaon, Haryana) | Loan is repayable within 12 installments(in which only interest amount is required to pay) and 36 installments of Rs. 1,70,343*** | 12.51% |

*Bank Overdraft is secured against existing and future current assets and also by Hypothecation of Property(C-40,Sec 57,Noida, UP-201307)

**However, Loan is repaid within 10 unequated monthly installments

***Loan is repaid within 12 unequated monthly installments

Annexure XI: Trade Payables as Restated

Payable to MSMEs
Payable to Other than MSMEs

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|--|------------------------------|------------------------------|------------------------------|
| | 95.45 | 68.66 | 179.58 |
| | 271.85 | 81.55 | 54.65 |
| | 367.30 | 150.21 | 234.23 |

As at 31st March 2023

| Particulars | Ageing Schedule for following periods from due date of payment | | | | |
|--------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Undisputed dues - MSME | 82.05 | 13.39 | 0.00 | - | 95.45 |
| Undisputed dues - Others | 234.51 | 9.53 | 26.44 | 1.38 | 271.85 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |



Restated Financial Statements of QUALITEK LABS LIMITED
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Notes to Restated Financial Statement

(Rs. In Lacs)

As at 31st March 2022

| Particulars | Ageing Schedule for following periods from due date of payment | | | | |
|--------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Undisputed dues - MSME | 45.57 | 11.45 | 11.63 | - | 68.66 |
| Undisputed dues - Others | 48.35 | 31.82 | 1.38 | - | 81.55 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

As at 31st March 2021

| Particulars | Ageing Schedule for following periods from due date of payment | | | | |
|--------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Undisputed dues - MSME | 165.37 | 14.19 | 0.02 | - | 179.58 |
| Undisputed dues - Others | 51.91 | 2.74 | - | - | 54.65 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

Annexure XII: Other Current Liabilities as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------|------------------------------|------------------------------|------------------------------|
| Duties and taxes | 8.69 | 19.54 | 6.79 |
| PF ESI Payable | 4.21 | 1.95 | 1.78 |
| Advance from Customers | 114.02 | 67.04 | 83.87 |
| Other Expense Payable | 37.80 | 8.39 | 23.01 |
| Salary Payable | 23.56 | 12.48 | 9.27 |
| | 188.28 | 109.40 | 124.72 |



Notes to Restated Financial Statement

(Rs. In Laacs)

Annexure XIII: Property, Plant and Equipment and Intangible Assets as Restated

(a) Property, Plant and Equipment and Intangible Assets

| As on 31st March 23 | | | | | | | | | | | |
|-----------------------|--------------------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particular | Gross Block | | | | | Depreciation Block | | | | Net Block | |
| | Opening Balance as on 1st April 2022 | Addition during the year | Capitalized during the year | Sale/disposal during the year | Closing Balance as on 31st March 2023 | Opening Balance as on 1st April 2022 | Provided during the year | Deduction/adjustments during the year | Closing Balance as on 31st March 2023 | Carrying Amount as on 31st March 2023 | Carrying Amount as on 31st March 2022 |
| Computer and Others | 10.03 | 12.38 | - | - | 22.41 | 4.84 | 8.50 | - | 13.35 | 9.06 | 5.19 |
| Office Equipment - | 5.23 | 2.00 | - | - | 7.23 | 2.08 | 0.84 | - | 2.92 | 4.31 | 3.15 |
| Office Equipment - OE | 1.90 | 1.55 | - | - | 3.45 | 0.65 | 0.88 | - | 1.53 | 1.92 | 1.25 |
| Furniture and Fixture | 32.32 | 60.07 | 247.35 | - | 339.74 | 4.61 | 21.87 | - | 26.48 | 313.26 | 27.71 |
| Plant and Machinery | 779.40 | 170.14 | 199.80 | - | 1149.33 | 93.03 | 47.85 | - | 140.88 | 1008.45 | 686.37 |
| Motor Vehicles | 41.05 | 0.84 | - | - | 41.89 | 7.90 | 4.50 | - | 12.39 | 29.49 | 33.15 |
| Total | 869.92 | 246.98 | 447.15 | - | 1564.05 | 113.11 | 84.44 | - | 197.55 | 1366.50 | 756.81 |

(b) Capital Work In Progress

| As on 31st March 23 | | | | | | | | | | | |
|-------------------------|--------------------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particular | Gross Block | | | | | Depreciation Block | | | | Net Block | |
| | Opening Balance as on 1st April 2022 | Addition during the year | Capitalized during the year | Sale/disposal during the year | Closing Balance as on 31st March 2023 | Opening Balance as on 1st April 2022 | Provided during the year | Deduction/adjustments during the year | Closing Balance as on 31st March 2023 | Carrying Amount as on 31st March 2023 | Carrying Amount as on 31st March 2022 |
| Furniture and Fixture - | 247.35 | 653.33 | 247.35 | - | 653.33 | - | - | - | - | 653.33 | 247.35 |
| Plant and Machinery - W | 199.80 | 831.87 | 199.80 | - | 831.87 | - | - | - | - | 831.87 | 199.80 |
| Total | 447.15 | 1485.20 | 447.15 | - | 1485.20 | - | - | - | - | 1485.20 | 447.15 |



Notes to Restated Financial Statement

(Rs. In Laacs)

(a) Property, Plant and Equipment and Intangible Assets

| Particular | As on 31st March 2022 | | | | | | | | | | |
|--------------------------|--------------------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Gross Block | | | | | Depreciation Block | | | | Net Block | |
| | Opening Balance as on 1st April 2021 | Addition during the year | Capitalized during the year | Sale/disposal during the year | Closing Balance as on 31st March 2022 | Opening Balance as on 1st April 2021 | Provided during the year | Deduction/adjustments during the year | Closing Balance as on 31st March 2022 | Carrying Amount as on 31st March 2022 | Carrying Amount as on 31st March 2021 |
| Computer and Others | 7.31 | 2.73 | - | - | 10.03 | 2.95 | 1.89 | - | 4.84 | 5.19 | 4.35 |
| Office Equipment - Books | 5.23 | - | - | - | 5.23 | 1.31 | 0.77 | - | 2.08 | 3.15 | 3.93 |
| Office Equipment - OE | 1.90 | - | - | - | 1.90 | 0.33 | 0.32 | - | 0.65 | 1.25 | 1.56 |
| Furniture and Fixture | 17.17 | 15.15 | - | - | 32.32 | 2.21 | 2.40 | - | 4.61 | 27.71 | 14.95 |
| Plant and Machinery | 623.99 | 155.41 | - | - | 779.40 | 53.45 | 39.58 | - | 93.03 | 686.37 | 570.54 |
| Motor Vehicles | 41.05 | - | - | - | 41.05 | 3.02 | 4.88 | - | 7.90 | 33.15 | 38.03 |
| Total | 696.63 | 173.29 | - | - | 869.92 | 63.27 | 49.84 | - | 113.11 | 756.81 | 633.36 |

(b) Capital Work In Progress

| Particular | As on 31st March 2022 | | | | | | | | | | |
|-----------------------------|--------------------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Gross Block | | | | | Depreciation Block | | | | Net Block | |
| | Opening Balance as on 1st April 2021 | Addition during the year | Capitalized during the year | Sale/disposal during the year | Closing Balance as on 31st March 2022 | Opening Balance as on 1st April 2021 | Provided during the year | Deduction/adjustments during the year | Closing Balance as on 31st March 2022 | Carrying Amount as on 31st March 2022 | Carrying Amount as on 31st March 2021 |
| Furniture and Fixture - WIP | 247.35 | - | - | - | 247.35 | - | - | - | - | 247.35 | 247.35 |
| Plant and Machinery - WIP | 199.80 | - | - | - | 199.80 | - | - | - | - | 199.80 | 199.80 |
| Total | 447.15 | - | - | - | 447.15 | - | - | - | - | 447.15 | 447.15 |



Notes to Restated Financial Statement

(Rs. In Lacs)

(a) Property, Plant and Equipment and Intangible Assets

| As on 31st March 2021 | | | | | | | | | | | |
|--------------------------|--------------------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particular | Gross Block | | | | | Depreciation Block | | | | Net Block | |
| | Opening Balance as on 1st April 2020 | Addition during the year | Capitalized during the year | Sale/disposal during the year | Closing Balance as on 31st March 2021 | Opening Balance as on 1st April 2020 | Provided during the year | Deduction/adjustments during the year | Closing Balance as on 31st March 2021 | Carrying Amount as on 31st March 2021 | Carrying Amount as on 31st March 2020 |
| Computer and Others | 5.48 | 1.82 | - | - | 7.31 | 1.50 | 1.45 | - | 2.95 | 4.35 | 3.99 |
| Office Equipment - Books | 3.10 | 2.13 | - | - | 5.23 | 0.71 | 0.60 | - | 1.31 | 3.93 | 2.39 |
| Office Equipment - OE | 0.64 | 1.26 | - | - | 1.90 | 0.12 | 0.21 | - | 0.33 | 1.56 | 0.51 |
| Furniture and Fixture | 9.62 | 7.54 | - | - | 17.17 | 0.98 | 1.23 | - | 2.21 | 14.95 | 8.64 |
| Plant and Machinery | 397.02 | 226.97 | - | - | 623.99 | 25.17 | 28.28 | - | 53.45 | 570.54 | 371.84 |
| Motor Vehicles | - | 41.05 | - | - | 41.05 | - | 3.02 | - | 3.02 | 38.03 | - |
| Total | 415.86 | 280.78 | | | 696.63 | 28.48 | 34.79 | | 63.27 | 633.36 | 387.37 |

(b) Capital Work In Progress

| As on 31st March 2021 | | | | | | | | | | | |
|-----------------------------|--------------------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Particular | Gross Block | | | | | Depreciation Block | | | | Net Block | |
| | Opening Balance as on 1st April 2020 | Addition during the year | Capitalized during the year | Sale/disposal during the year | Closing Balance as on 31st March 2021 | Opening Balance as on 1st April 2020 | Provided during the year | Deduction/adjustments during the year | Closing Balance as on 31st March 2021 | Carrying Amount as on 31st March 2021 | Carrying Amount as on 31st March 2020 |
| Furniture and Fixture - WIP | 121.95 | 125.41 | - | - | 247.35 | - | - | - | - | 247.35 | 121.95 |
| Plant and Machinery - WIP | - | 199.80 | - | - | 199.80 | - | - | - | - | 199.80 | - |
| Total | 121.95 | 325.20 | | | 447.15 | | | | | 447.15 | 121.95 |



Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
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Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure XIV: Non- Current Investment as Restated

Other Investments
Unquoted
(a) Investments in Equity Instruments
Investment in Eq. share of Quality & Testing Infosolution Pvt Ltd

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| - | 0.70 | 0.70 |
| - | 0.70 | 0.70 |
| - | 0.70 | 0.70 |

Aggregate amount of unquoted investments
Aggregate provision for diminution in value of investments

Note: As on 31st March 2022 and 31st March 2021, 7000 equity shares of Quality & Testing Infosolutions Pvt. Ltd. of Rs. 10 each fully paid. Further, these equity shares held by company till 25th Nov 2022.

Annexure XV: Long Term Loans & Advances

Income tax refund
Advance Tax & TDS (Net of Provisions for tax)
Advances given to related parties

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| - | 39.57 | 31.09 |
| 104.43 | 89.88 | 41.14 |
| 6.50 | 36.59 | - |
| 110.93 | 166.05 | 72.23 |

Annexure XVI: Other Non Current Assets as Restated

(a) Security Deposit
(b) Other Non Current
FDR

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| 124.85 | 86.94 | 26.70 |
| 9.10 | - | - |
| 133.95 | 86.94 | 26.70 |

Annexure XVII: Trade Receivables as Restated

Secured, considered good
Unsecured, considered good

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| - | - | - |
| 582.57 | 219.28 | 120.23 |
| 582.57 | 219.28 | 120.23 |

As at 31st March 2023

| Particulars | Ageing Schedule for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade receivables-considered good | 554.79 | 24.37 | 3.35 | 0.07 | - | 582.57 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

As at 31st March 2022

| Particulars | Ageing Schedule for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade receivables-considered good | 203.44 | 14.26 | 1.05 | 0.46 | 0.09 | 219.28 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |



As at 31st March 2021

| Particulars | Ageing Schedule for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade receivables-considered good | 111.77 | 3.81 | 4.37 | 0.28 | - | 120.23 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

Annexure XVIII: Cash and Bank Balances as Restated

Cash & Cash Equivalents

Cash in hand

Balances with banks

Other Bank Balances

Fixed Deposit

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| 1.00 | - | - |
| 33.59 | 1.86 | 13.14 |
| | 100.00 | |
| 34.59 | 101.86 | 13.14 |

Note: Fixed Deposit (FD) is provided against Bank Guarantee.

Annexure XIX: Short Term Loans and Advances as Restated

Advance to Vendor

-Related Parties

-Others

GST input credit

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| 2.00 | 123.06 | 26.95 |
| 169.68 | 293.68 | 79.03 |
| 58.81 | 23.19 | 39.39 |
| 230.50 | 439.93 | 145.38 |

Annexure XX: Other Current Assets as Restated

Accrued Income

Prepaid Expense

| 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------------------|------------------------------|------------------------------|
| 0.02 | 0.04 | - |
| 11.37 | 1.10 | 0.99 |
| 11.38 | 1.14 | 0.99 |

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Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
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Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure XXI: Revenue from Operations as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|------------------|------------------------------|------------------------------|------------------------------|
| Testing Services | 1913.66 | 1196.57 | 635.49 |
| Sale of Goods | - | - | - |
| | 1913.66 | 1196.57 | 635.49 |

Annexure XXII: Other Income as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|-------------------------------|------------------------------|------------------------------|------------------------------|
| Interest Income | 0.84 | 0.04 | - |
| Interest on Income Tax Refund | 5.00 | 1.08 | - |
| Discount Received | - | - | 0.94 |
| Liabilities Written Back | 15.63 | 4.04 | 0.09 |
| Scrap Income | - | - | 0.92 |
| | 21.47 | 5.16 | 1.95 |

Annexure XXIII: Direct Expenses as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|--|------------------------------|------------------------------|------------------------------|
| Testing Material Purchase | 122.24 | 45.05 | 14.82 |
| Testing Service Charges | 219.32 | 130.49 | 118.99 |
| Calibration Services | 7.87 | 6.58 | 6.65 |
| Consumable Expenses | 7.36 | 0.42 | 4.48 |
| Packaging Charges and Transportation Expense | 0.03 | 0.22 | 1.80 |
| Electrical Material | 67.73 | 5.90 | - |
| Lab Expenses | 0.18 | 0.76 | 4.07 |
| | 424.73 | 189.43 | 150.81 |

Annexure XXIV: Employee Benefit Expenses as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|---|------------------------------|------------------------------|------------------------------|
| Salaries and Wages | 317.80 | 312.35 | 116.98 |
| Staff Welfare Expenses | 23.46 | 9.52 | 1.57 |
| Contribution to Provident and other Funds | 18.90 | 11.64 | 9.18 |
| Gratuity Expense | 5.52 | 2.12 | 0.41 |
| | 365.67 | 335.63 | 128.14 |

Annexure XXV: Finance Cost as Restated

| | 31st March 23 Rs. in Lacs | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|-----------------------|------------------------------|------------------------------|------------------------------|
| Interest on Loans | 65.10 | 28.34 | - |
| Bank Charges | 0.36 | 3.52 | 0.38 |
| Interest on GST & TDS | 0.01 | 0.06 | 0.70 |
| Interest on MSME | 4.18 | - | - |
| | 69.65 | 31.92 | 1.08 |



Restated Financial Statements of QUALITEK LABS LIMITED
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Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure XXVI: Other Expenses as Restated

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|--------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Audit Fee (Refer Annexure (a)) | 0.60 | 0.29 | 0.29 |
| Advertisement & Sales Promotion Exp. | 12.19 | 0.33 | 0.13 |
| Bad Debts | 0.46 | 0.35 | 0.11 |
| Diesel Expenses | - | 18.77 | 5.89 |
| Electricity & Water Charges | 240.38 | 187.80 | 129.13 |
| Insurance Charges | 5.15 | 9.76 | 0.69 |
| Net Gain/Loss in foreign exchange | 2.58 | 1.13 | 1.20 |
| Office and Administrative Expenses | 25.21 | 25.95 | 14.99 |
| Postage and Courier Charges | 34.58 | 24.10 | 5.95 |
| Printing & Stationery Exp | 12.85 | 4.80 | 0.50 |
| Professional Fees | 29.80 | 23.00 | 16.13 |
| Rent | 103.87 | 80.99 | 68.41 |
| Repair and Maintenance Exp | | | |
| Building | - | 0.87 | - |
| Plant & Machinery | 9.84 | 6.08 | - |
| Repair - Others | 6.92 | 2.58 | 4.11 |
| Security Expenses | 5.66 | 3.99 | 0.52 |
| Rates and Taxes | 9.66 | 2.13 | 0.39 |
| Telephone and Internet Charges | 3.40 | 2.17 | 0.79 |
| Input GST Written off | - | 1.25 | - |
| House Keeping Charges | 2.96 | 1.90 | - |
| Travelling & Conveyance Exp | 66.19 | 36.05 | 3.61 |
| Sample Collection Expense | 5.25 | 2.25 | - |
| Misc. Expenses | 7.52 | 3.94 | 0.32 |
| Asset written off | 8.35 | - | - |
| | 593.42 | 440.49 | 253.17 |

Annexure (a): Audit Fees

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|----------------------|-------------------------------|-------------------------------|-------------------------------|
| Statutory Audit Fees | 0.40 | 0.18 | 0.18 |
| Tax Audit fees | 0.20 | 0.11 | 0.11 |
| | 0.60 | 0.29 | 0.29 |

Annexure XXVII: Deferred Tax Expense as Restated

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expense / (Income) for the Year | (21.11) | (37.77) | (23.34) |
| | (21.11) | (37.77) | (23.34) |



Restated Financial Statements of QUALITEK LABS LIMITED
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Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure XXVIII: Details of Other Income as Restated

| Particulars | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. | Nature |
|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
| Other Income | 21.47 | 5.16 | 1.95 | |
| Net Profit before Tax as restated | 397.22 | 154.43 | 69.45 | |
| Percentage | 5.40% | 3.34% | 2.80% | |
| Source of Income | | | | |
| Interest on Fixed Deposit | 0.84 | 0.04 | - | Recurring and related to Business Activity |
| Interest on Income Tax Refund | 5.00 | 1.08 | - | Non-Recurring and not related to Business Activity |
| Discount Income | - | - | 0.94 | Non-Recurring and related to Business Activity |
| Liabilities Written Off | 15.63 | 4.04 | 0.09 | Non-Recurring and related to Business Activity |
| Scrap Income | - | - | 0.92 | Non-Recurring and related to Business Activity |
| Total Other Income | 21.47 | 5.16 | 1.95 | |

Annexure XXIX: Earnings per share (EPS) as Restated

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|---|-------------------------------|-------------------------------|-------------------------------|
| Earning attributable to Equity Shareholder | 296.91 | 113.57 | 46.11 |
| Weighted average number of equity shares in calculating basic EPS | 39,87,123 | 14,24,932 | 70,000 |
| Basic Earning Per Share | 7.45 | 7.97 | 65.87 |
| Weighted average number of equity shares in calculating Diluted EPS | 39,87,123 | 14,24,932 | 70,000 |
| Diluted Earning Per Share | 7.45 | 7.97 | 65.87 |



Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")

CIN: U74999DL2018PLC334105

Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure XXX: Related Party Disclosures as Restated

A. Names of related parties and related party relationships

| S. No. | Particulars | Name of Party/ Person |
|--------|--|---|
| (i) | Names of related parties where control exists: | |
| | Holding Comp: TIC Services Private Limited | |
| | Subsidiary Com: Quality & Testing Infosolution Pvt Ltd (Upto 25th November 2022) | |
| | Entity Under C: Interstellar Testing Centre Private Limited | |
| | Common Direc: ASC Consulting Private Limited | |
| | Common Direc: ASC Financial Services Private Limited | |
| | Common Direc: SKM Realcon Private Limited | |
| | Entity in which A S C B S R And Company LLP | |
| | Entity in which Quality & Testing Infosolution Pvt Ltd (W.e.f. 26th November 2022) | |
| (ii) | Key Managerial Personnel (KMP) | |
| | Director | Mr. Antaryami Nayak |
| | Director | Mr. Kamal Grover |
| (iii) | Non Executive Director | |
| | Director | Mr. Alok Kumar Agarwal |
| | Director | Mrs. Anju Agarwal (Upto 9th January 2023) |

B. Transactions during the year with related parties

| | Nature of Transaction during the year | 31st March 23 | 31st March 22 | 31st March 21 |
|---|---------------------------------------|---------------|---------------|---------------|
| | | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| Mr. Kamal Grover | Reimbursement of expenses | 6.77 | 5.93 | |
| | Loan Taken | 13.05 | 6.50 | 1.94 |
| | Loan Repaid | 13.49 | 6.50 | 1.50 |
| | Advance Given | - | 11.59 | 2.00 |
| | Advance repaid | 10.09 | 1.50 | 2.00 |
| Mr. Antaryami Nayak | Loan Repaid | - | - | 2.55 |
| | Advance Given | - | 31.00 | - |
| | Advance repaid | 20.00 | 4.50 | - |
| | Investment sold | 0.35 | - | - |
| Mr. Alok Kumar Agarwal | Investment sold | 0.35 | - | - |
| TIC Services Private Limited | Loan Taken | 850.71 | 914.18 | 443.68 |
| | Loan Repaid | 852.05 | 888.29 | 32.50 |
| ASC Consulting Private Limited | Loan Taken | 20.00 | - | - |
| | Loan Repaid | - | - | - |
| | Professional Expense | 0.01 | 0.08 | - |
| Quality & Testing Infosolution Pvt | Advance Given | 26.11 | 99.21 | 27.45 |
| | Payment Received against loan | 149.17 | 3.10 | 0.50 |
| | Software Development Fees | 1.96 | 0.09 | - |
| | Purchase of Software | 3.20 | - | - |
| | Investment sold | 0.70 | - | - |
| ASC Financial Services Private | Professional Expense | - | 6.21 | - |



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| | | | | |
|--|------------------------|-------|------|------|
| A S C B S R And Company LLP | Professional Expense | 5.25 | 5.50 | 3.00 |
| Interstellar Testing Centre Pvt | Testing Service Income | 43.39 | 5.99 | 0.20 |
| | Testing Expense | 13.84 | 6.81 | 0.03 |
| | Advance Given | 14.07 | - | - |
| | Loan Repaid | 12.07 | - | - |
| SKM Realcon Private Limited | Rent Service | 21.60 | - | - |

C. Balance Outstanding at the year-end with related parties:

| | | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|---|--|-------------------------------|-------------------------------|-------------------------------|
| Short term borrowings | Kamal Grover | - | 0.44 | 0.44 |
| | TIC Service Private Limited | 818.16 | 819.50 | 793.61 |
| | ASC Consulting Private Limited | 20.00 | - | - |
| | Antaryami Nayak | - | - | - |
| Investment made | Quality & Testing Infosolution Pvt. Ltd. | - | 0.70 | 0.70 |
| Long term / Short term loan & Advances | Kamal Grover | - | 10.09 | - |
| | Antaryami Nayak | 6.50 | 26.50 | - |
| | Quality & Testing Infosolution Pvt Ltd. | - | 123.06 | 26.95 |
| | Interstellar Testing Centre Pvt. Ltd. | 2.00 | - | - |
| Payable | A S C B S R And Company LLP | 1.66 | 3.24 | 2.76 |
| | Interstellar Testing Centre Pvt. Ltd. | 22.88 | 9.60 | 3.54 |
| | SKM Realcon Private Limited | 3.89 | - | - |
| | Quality & Testing Infosolution Pvt Ltd | 3.78 | 0.10 | - |
| | ASC Consulting Private Limited | 0.57 | 0.08 | 0.61 |
| | Kamal Grover | 0.12 | 0.27 | - |
| Receivable | Interstellar Testing Centre Pvt. Ltd. | 61.88 | 6.31 | 4.50 |
| | Kamal Grover | - | - | 2.19 |

Annexure XXXI: Foreign Currency Transaction as Restated

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|----------------------|-------------------------------|-------------------------------|-------------------------------|
| Earnings | | | |
| Expert of Services | 0.87 | - | - |
| Expenditure | | | |
| Outsourcing Services | 43.47 | 58.60 | 44.16 |

* Above figures are taken on Actual Basis.

Annexure XXXII: Contingencies & Commitments as Restated

There is no contravention of laws or regulations the effect of which could form the basis for recording a contingent loss provision or a disclosure in the financial statement and there are no other material liabilities or contingent gains or losses which require accrual or disclosure.

There are no significant claims for which the Company would be contingently liable in respect of litigation, if any which may be pending against the Company. There is no litigation pending against any of the employees of the Company for which the Company would be contingently liable either directly or indirectly.

The Company is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material. So far as the Management is aware, no such litigation or arbitration proceedings are pending or threatened.



Notes to Restated Financial Statement

(Rs. In Lacs)

Annexure XXXIII: Disclosure related to MSME dues as Restated

As per the information available, there are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Due to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006

| The principal amount and the interest due thereon remaining unpaid to any supplier | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|---|-------------------------------|-------------------------------|-------------------------------|
| Principal amount due to micro and small enterprises | 91.27 | 68.66 | 179.58 |
| Interest due on above | 4.18 | - | - |
| Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day | - | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006. | - | - | - |
| Amount of interest accrued and remaining unpaid | - | - | - |
| Amount of further interest due and payable in the succeeding year, until the interest dues as above are actually paid, for disallowance u/s 23 | - | - | - |

During the year, Company has recognise interest on dues of MSME parties with whom transactions took place during the year or dues are outstanding at the end of the year. The Interest provision for previous year are not recorded as outstanding dues were repaid in current financial year.

Annexure XXXIV: Additional Regulatory Information as Restated

1 Summary of Ratio as on 31 March 2023

A Current Ratio -

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|---------------------|------------------------|------------------------|----------|------------------------|----------|
| Current Assets | 859.04 | 762.21 | | 279.74 | |
| Current Liabilities | 1869.28 | 1968.71 | | 1455.99 | |
| Ratio | 0.46 | 0.39 | 19% | 0.19 | 102% |

(FY 22-23, Ratio increased due to increase in trade receivable)

(FY 21-22, Ratio increased due to increase in trade receivable)

B Debt equity ratio

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|----------------------|------------------------|------------------------|----------|------------------------|----------|
| Total Debt | 2344.67 | 1728.68 | | 1121.82 | |
| Shareholder's Equity | 986.52 | 189.61 | | (22.96) | |
| Ratio | 2.38 | 9.12 | (74%) | (48.86) | (119%) |

(FY 22-23, during the the year, company issued shares due to which shareholder's equity increased which leads to decrease in ratio)

(FY 21-22, during the the year, company issued shares due to which shareholder's equity increased which leads to decrease in ratio)

C Debt service coverage ratio

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|------------------------------------|------------------------|------------------------|----------|------------------------|----------|
| Earning Available for Debt Service | 541.66 | 234.57 | | 105.74 | |
| Debt Service | 1376.09 | 1740.72 | | 1097.83 | |
| Ratio | 0.39 | 0.13 | 192% | 0.10 | 40% |

(FY 22-23, Ratio increased due to increase in regular earnings of company's profit)

(FY 21-22, Ratio increased due to increase in regular earnings of company's profit)



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(Rs. In Lacs)

D Return on equity ratio

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|------------------------------|------------------------|------------------------|--------------|------------------------|---------------|
| Net Profit after tax | 296.91 | 113.57 | | 46.11 | |
| Average Shareholder's Equity | 588.07 | 83.33 | | (46.01) | |
| Ratio | 50% | 136% | (63%) | (100%) | (236%) |

(FY 22-23, during the the year, company issued shares due to which shareholder's equity increased which leads to decrease in ratio)

(FY 21-22, during the the year, company issued shares due to which shareholder's equity increased which leads to decrease in ratio)

E Inventory turnover ratio

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|-------------------|------------------------|------------------------|------------|------------------------|------------|
| Revenue | | | | | |
| Average Inventory | | | | | |
| Ratio | N/A | N/A | N/A | N/A | N/A |

F Trade Receivables Turnover Ratio -

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|----------------------------|------------------------|------------------------|--------------|------------------------|-------------|
| Sales | 1913.66 | 1196.57 | | 635.49 | |
| Average Account Receivable | 400.93 | 169.76 | | 85.09 | |
| Ratio | 4.77 | 7.05 | (32%) | 7.47 | (6%) |

(FY 22-23, during the the year, company issued shares due to which shareholder's equity increased which leads to decrease in ratio)

G Trade Payable Turnover Ratio -

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|------------------------|------------------------|------------------------|------------|------------------------|------------|
| Credit Purchase | 1006.76 | 627.18 | | 402.67 | |
| Average Trade Payables | 258.75 | 192.22 | | 173.89 | |
| Ratio | 3.89 | 3.26 | 19% | 2.32 | 41% |

(FY 21-22, ratio increased due to increase in expenses in the current year)

H Net Capital Turnover Ratio

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|-------------------------|------------------------|------------------------|------------|------------------------|-------------|
| Net Sales | 1913.66 | 1196.57 | | 635.49 | |
| Average Working Capital | (1108.36) | (1191.37) | | (615.27) | |
| Ratio | (1.73) | (1.00) | 72% | (1.03) | (3%) |

(FY 22-23, Ratio increased due to increase in regular sales of company)

I Net Profit Ratio -

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|--------------|------------------------|------------------------|------------|------------------------|------------|
| Net profit | 296.91 | 113.57 | | 46.11 | |
| Net Sales | 1913.66 | 1196.57 | | 635.49 | |
| Ratio | 16% | 9% | 63% | 7% | 31% |

(FY 22-23, Ratio increased due to increase in regular earnings of company)

(FY 21-22, Ratio increased due to increase in regular earnings of company)



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(Rs. In Lacs)

J Return On Capital Employed

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|------------------|------------------------|------------------------|------------|------------------------|------------|
| EBIT | 466.51 | 182.83 | | 70.14 | |
| Capital Employed | 3390.65 | 1856.64 | | 1099.44 | |
| Ratio | 14% | 9% | 47% | 6% | 46% |

(FY 22-23, during the the year, Ratio increased due to increase in regular earnings of a company)

(FY 21-22, Company issued shares due to which capital employed has been increased which leads to decrease in ratio)

K Return On Investment

| | As at 31 March 2023 | As at 31 March 2022 | Variance | As at 31 March 2021 | Variance |
|---------------------------|------------------------|------------------------|------------|------------------------|------------|
| Earnings from Investments | | | | - | |
| Average Investments | | | | - | |
| Ratio | N/A | N/A | N/A | N/A | N/A |

- No Immoveble property is held by company
- During the year, no revaluation was made in Company's property, plant and equipment
- The Company has borrowings or sanctioned working capital limit from banks or financial institution on the basis of security of current assets. The quarterly returns or statements of current assets are not filed by the company with banks or financial institution.
- The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has not granted loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are:
 - repayable on demand or
 - without specifying any terms or period of repayment

FY 22-23

| Type of Borrower | Name | Amount of loan or advance in the nature of loan outstanding | Percentage to the loans and advances in the nature of loans |
|------------------|-----------------|---|---|
| Director | Kamal Grover | - | - |
| Director | Antaryami Nayak | 6.50 | 100.00% |

FY 21-22

| Type of Borrower | Name | Amount of loan or advance in the nature of loan outstanding | Percentage to the loans and advances in the nature of loans |
|------------------|-----------------|---|---|
| Director | Kamal Grover | 10.09 | 27.58% |
| Director | Antaryami Nayak | 26.50 | 72.42% |

FY 20-21

| Type of Borrower | Name | Amount of loan or advance in the nature of loan outstanding | Percentage to the loans and advances in the nature of loans |
|------------------|-----------------|---|---|
| Director | Kamal Grover | - | - |
| Director | Antaryami Nayak | - | - |

7 Capital work in progress ageing schedule

FY 22-23

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|---------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Projects in progress | 1485.20 | - | - | - | 1485.20 |



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(Rs. In Lacs)

| FY 21-22 | | | | | |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Projects in progress | - | 325.20 | 91.95 | 30.00 | 447.15 |

| FY 20-21 | | | | | |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Projects in progress | 325.20 | 91.95 | 30.00 | - | 447.15 |

- 8 There is no intangible assets under development.
- 9 Company do not hold any benami property under the Benami Transactions (prohibition) Act 1988
- 10 Company has borrowings from banks or financial institutions on the basis of security of current assets but not asking for submission of book debt statements.
- 11 No transactions were made with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 12 No charges or satisfaction is yet to be registered with registrar of companies except as follows :
- In year 2021 , The Company has availed Vehicle Loan facility from ICICI Bank for ₹ 29.70 Lakhs against hypothecation for the same.
- 14 Company has complied with the no. of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017
- 15 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.
- 16 The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (Intermediary) with the understanding that the Intermediary shall
17 a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiary) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary
- 19 The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that
20 a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiary
- 21 There is no income surrendered or disclosed as income during the current or previous year in the tax assessment under the Income Tax Act, 1961 that has not been recorded in the books of accounts.
- 23 The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 24 The company has done assessment to identify Core Investment Company (CIC) (including CICs in the group) as per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (Reserve Bank) Directions, 2016). The company is not CIC and no
- 25 The Company has not received any whistle-blower complaints during the current or previous year.

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Annexure XXXV: Gratuity (Disclosure under AS 18 as Restated)

The Employees Gratuity are defined benefit plan. The Present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| I. Assumptions | 31st March 23 | 31st March 22 | 31st March 21 |
|--|--------------------------|--------------------------|--------------------------|
| | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| Discount rate (%) | 7.50 | 7.26 | 6.79 |
| Expected rate of salary increase(%) | 4 | 4 | 4 |
| Attrition Rate(%) | | | |
| -Up to 30 Years | 45 | 45 | 45 |
| -From 31 to 44 Years | 45 | 45 | 45 |
| -Above 44 Years | 45 | 45 | 45 |
| Mortality Table | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| Retirement Age (Years) | 58 Years | 58 Years | 58 Years |
| II. Change in present value of obligation | | | |
| | 31st March 23 | 31st March 22 | 31st March 21 |
| | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) Present value of obligation as at the beginning of the period | 3.33 | 1.21 | 0.00 |
| b) Acquisition adjustment | - | - | - |
| c) Interest cost | 0.24 | 0.08 | 0.05 |
| d) Current service cost | 2.93 | 1.08 | 0.58 |
| e) Past service cost | - | - | - |
| f) Benefits paid | - | - | - |
| g) Actuarial (gain)/loss on obligation | 2.81 | 0.95 | (0.22) |
| h) Present value of obligation as at the end of the period | 8.84 | 3.33 | 1.21 |
| III. Changes in the fair value of plan assets | | | |
| | 31st March 23 | 31st March 22 | 31st March 21 |
| | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) Fair value of plan assets at the beginning of the period | - | - | - |
| b) Acquisition adjustment | - | - | - |
| c) Expected return on plan assets | - | - | - |
| d) Contributions | - | - | - |
| e) LIC Charges | - | - | - |
| f) Benefits paid | - | - | - |
| g) Actuarial gain/(loss) on plan assets | - | - | - |
| h) Fair value of plan assets at the end of the period | - | - | - |
| IV. Fair value of plan assets | | | |
| | 31st March 23 | 31st March 22 | 31st March 21 |
| | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) Fair value of plan assets at the beginning of the period | - | - | - |
| b) Acquisition adjustment | - | - | - |
| c) Actual return on plan assets | - | - | - |
| d) Contributions | - | - | - |
| e) LIC Charges | - | - | - |
| f) Benefits paid | - | - | - |
| g) Fair value of plan assets at the end of the period | - | - | - |
| V. Actuarial gain / loss recognized | | | |
| | 31st March 23 | 31st March 22 | 31st March 21 |
| | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) Actuarial gain/(loss) for the period - Obligation | (2.84) | (0.95) | 0.22 |
| b) Actuarial (gain)/loss for the period - Plan Assets | - | - | - |
| c) Total (gain)/loss for the period | 2.84 | 0.95 | (0.22) |
| d) Actuarial (gain) / loss recognized in the period | 2.84 | 0.95 | (0.22) |
| e) Unrecognized actuarial (gains) / losses at the end of the | - | - | - |



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| VI. The amounts to be recognized in balance sheet and related analysis | | 31st March 23 | 31st March 22 | 31st March 21 |
|--|---|---------------|---------------|---------------|
| | | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) | Present value of obligation as at the end of the period | 8.84 | 3.33 | 1.21 |
| b) | Fair value of plan assets as at the end of the period | - | - | - |
| c) | Funded status / Difference | (8.84) | (3.33) | (1.21) |
| d) | Excess of actual over estimated | - | - | - |
| e) | Unrecognized actuarial (gains)/losses | - | - | - |
| f) | Net asset/(liability) recognized in balance sheet | (8.84) | (3.33) | (1.21) |
| VII. Expense recognized in the statement of P & L A/C | | 31st March 23 | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) | Current service cost | 2.43 | 1.08 | 0.58 |
| b) | Past service cost | - | - | - |
| c) | Interest cost | 0.24 | 0.08 | 0.05 |
| d) | Expected return on plan assets | - | - | - |
| e) | Net actuarial (gain)/ loss recognized in the period | 2.84 | 0.95 | (0.22) |
| f) | Expenses recognized in the statement of profit & losses | 5.52 | 2.12 | 0.41 |
| VIII. Reconciliation statement of expense in the statement of P&L A/C | | 31st March 23 | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) | Present value of obligation as at the end of period | 8.84 | 3.33 | 1.21 |
| b) | Present value of obligation as at the beginning of the period | 3.33 | 1.21 | 0.80 |
| c) | Benefits paid | - | - | - |
| d) | Actual return on plan assets | - | - | - |
| e) | Acquisition adjustment | - | - | - |
| f) | Expenses recognized in the statement of profit & losses | 5.52 | 2.12 | 0.41 |
| IX. Movements in the liability recognized in the Balance Sheet | | 31st March 23 | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| a) | Opening net liability | 3.33 | 1.21 | 0.80 |
| b) | Expenses as above | 5.52 | 2.12 | 0.41 |
| c) | Benefits paid | - | - | - |
| d) | Actual return on plan assets | - | - | - |
| e) | Acquisition adjustment | - | - | - |
| f) | Closing net Liability | 8.84 | 3.33 | 1.21 |
| X. Experience Adjustments | | 31st March 23 | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| On Plan Liability Gains/(Losses) | | (2.87) | (1.00) | (0.65) |

Annexure XXXVI: Restated Statement of Adjustments to Audited Financial Statement

| (i) Reconciliation of Restated Profit | 31st March 23 | 31st March 22 | 31st March 21 |
|---|---------------|---------------|---------------|
| | Rs. in Lacs. | Rs. in Lacs. | Rs. in Lacs. |
| Profit after Tax as per audited/provisional financials statements | 294.43 | 113.95 | 46.77 |
| Employee Benefit Expenses- Gratuity | 3.33 | (2.12) | (0.41) |
| Prior Period Expense adjustment | - | 4.01 | 1.24 |
| Current Tax | (0.00) | (3.08) | - |
| DTA/DTL | (0.84) | 0.81 | (1.49) |
| Restated Profit after Tax | 296.91 | 113.57 | 46.11 |

Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the

- (i) **Gratuity Expense:** Company has booked gratuity expense for all years in FY 22-23.
- (ii) **Prior Period Expenses:** Prior Period Expenses of FY 2021-22 & FY 2020-21 has been debited to Profit & Loss A/c of financial years of which expense actually belongs and Opening Reserves respectively
- (iii) **Current Tax:** Due to above restatement impacts and using correct income tax enacted rates, current tax expense has been restated accordingly and presented.
- (iv) **Deferred Tax:** Due to above restatement impacts and using correct income tax enacted rates, deferred tax expenses has been restated accordingly and presented.



Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Notes to Restated Financial Statement

(Rs. In Lacs)

| (ii) Reconciliation of Restated Shareholder's Funds | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|--|-------------------------------|-------------------------------|-------------------------------|
| Shareholder's Funds after Tax as per audited/provisional financials statements | 989.61 | 195.18 | (17.77) |
| Employee Benefit Expenses- Gratuity | | (3.33) | (1.21) |
| Current Tax | (3.08) | (3.08) | - |
| DTA/DTL | - | 0.84 | 0.03 |
| Prior Period Expense adjustment | - | - | (4.01) |
| Restated Shareholder's funds | 986.52 | 189.61 | (22.96) |

Explanatory notes to the above restatements to Shareholder's funds made in the audited Standalone Financial Statements of the

- (i) **Gratuity Expense:** Company has booked gratuity expense for all years in FY 22-23.
- (ii) **Prior Period Expenses:** Prior Period Expenses of FY 2021-22 & FY 2020-21 has been debited to Profit & Loss A/c of financial years of which expense actually belongs and Opening Reserves respectively
- (iii) **Current Tax:** Due to above restatement impacts and using correct income tax enacted rates, current tax expense has been restated accordingly and presented.
- (iv) **Deferred Tax:** Due to above restatement impacts and using correct income tax enacted rates, deferred tax expenses has been restated accordingly and presented.

Annexure XXXVII: Adjustments having no impact on Shareholder's Funds and Profit

Material Regrouping

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

Annexure XXXVIII: Statement of Capitalisation as at 31st March 2023

| | Pre-Issue | Post-Issue |
|---|----------------|----------------|
| Short Term Debt | 1310.98 | 1310.98 |
| Long Term Debt | 1033.69 | 1033.69 |
| Total Debt | 2344.67 | 2344.67 |
| Shareholder's Funds (Equity) | | |
| -Share Capital | 540.75 | 737.19 |
| -Reserves & Surplus | 445.77 | 2213.73 |
| Total Shareholder's Funds (Equity) | 986.52 | 2950.92 |
| Long Term Debt/Equity (In Ratio) | 1.05 | 0.35 |
| Total Debt/Equity (In Ratio) | 2.38 | 0.79 |

Notes:

The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31st March 2023

1

2 The post issue capitalisation will be determined only after the completion of the allotment of equity shares.



Restated Financial Statements of QUALITEK LABS LIMITED
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Notes to Restated Financial Statement

(Rs. In Lacs)

| Annexures XXXIX: Other Financial Information as Restated | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|--|-------------------------------|-------------------------------|-------------------------------|
| Net Worth(A) | 986.52 | 189.61 | (22.96) |
| Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) | 551.30 | 236.18 | 105.31 |
| Restated Profit after tax(B) | 296.91 | 113.57 | 46.11 |
| No. of equity shares outstanding as on the end of year/period(C) | 54,07,500 | 4,60,000 | 10,000 |
| Weightage average no. of equity shares as on the end of the year/period(D) | | | |
| -Pre Bonus (D(i)) | 39,87,123 | 2,03,562 | 10,000 |
| -Post Bonus (D(ii)) | 39,87,123 | 14,24,932 | 70,000 |
| Face Value per share | 10 | 10 | 10 |
| Restated Basic & Diluted Earnings per share (Rs.)(B/D) | | | |
| -Pre Bonus (B/D(i)) | 7.45 | 55.79 | 461.10 |
| -Post Bonus (B/D(ii)) | 7.45 | 7.97 | 65.87 |
| Return on Net worth(%) (B/A) | 30.10% | 59.90% | (200.83)% |
| Net asset value per share(A/D(i))(Pre Bonus) | 24.74 | 93.15 | (229.60) |
| Net asset value per share(A/D(ii))(Post Bonus) | 24.74 | 13.31 | (32.80) |

Notes:

1 Ratios have been computed as per the following formulas

(i) Basic Earnings per share

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year}}$$

(ii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{No. of equity shares outstanding at the end of the year}}$$

(iii) Return on Net Worth(%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

2 EBITDA represents Earnings (or Profit/(Loss)) before finance costs, income taxes, and depreciation and amortisation expense. Extraordinary and Exceptional items have been considered in the calculation of EBITDA as they were expense items.

3 Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the company.

4 Earning per share calculation are done in accordance with AS 20 "Earning per Share", issued by the Institute of Chartered Accountants

5 Weighted average no. of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the no. of equity shares issued during the period multiplied by the time weighting factor. The time weighting factor is the no. of days for which the specific shares are outstanding as a proportion of total no. of days during the period.

6 The Company issued 4635000 equity shares of Rs. 10/- each as bonus shares in the ratio of 6:1 and the same has been allotted on 1st Dec 2022

Annexure XI: Details of Contingent Liabilities & Commitments as Restated

I. Contingent Liabilities

- (a) claims against the company not acknowledged as debt;
(b) guarantees excluding financial guarantees; and
(c) other money for which the company is contingently liable.

II. Commitments-

- (a) estimated amount of contracts remaining to be executed on capital account and not provided for
(b) uncalled liability on shares and other investments partly paid
(c) other commitments

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|--|-------------------------------|-------------------------------|-------------------------------|
| (a) claims against the company not acknowledged as debt; | - | - | - |
| (b) guarantees excluding financial guarantees; and | - | - | - |
| (c) other money for which the company is contingently liable. | - | - | - |
| (a) estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - |
| (b) uncalled liability on shares and other investments partly paid | - | - | - |
| (c) other commitments | - | - | - |

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Annexure XLI: Statement of Tax Shelters

| | 31st March 23 Rs. in Lacs. | 31st March 22 Rs. in Lacs. | 31st March 21 Rs. in Lacs. |
|--|-------------------------------|-------------------------------|-------------------------------|
| Profit before tax as per books(A) | 397.22 | 154.43 | 69.45 |
| Income Tax Rate (%) (as per 115BAA) | 25.168% | 25.168% | 25.168% |
| Tax at Notional rate on Profit | 99.97 | 38.87 | 17.48 |
| Adjustments: | | | |
| Permanent Differences(B) | | | |
| Expenses disallowed under Income Tax Act,1961 | | | |
| Interest on TDS & GST | 0.01 | 0.06 | 0.70 |
| Disallowance u/s 40(a)(ia) | - | 0.14 | 10.73 |
| PF amount paid after due date | - | 3.68 | 9.46 |
| Input written off | - | 1.25 | - |
| Interest on MSMF | 4.18 | - | - |
| Total Permanent Differences(B) | 4.19 | 5.13 | 23.28 |
| Interest considered separately(C) | | | |
| Interest Income | (5.84) | (1.12) | - |
| Total Income Considered Separately(C) | (5.84) | (1.12) | - |
| Timing Differences (D) | | | |
| Gratuity Provision | 5.52 | 2.12 | 0.41 |
| Difference in Preliminary Expenses | (0.31) | (0.31) | (0.31) |
| Difference between tax depreciation and book depreciation | (91.85) | (48.50) | (42.05) |
| 30% disallowance in last year audit fees, now allowed in 22-23 | (0.09) | - | - |
| Total Timing Differences(D) | (86.72) | (46.69) | (41.95) |
| Net Adjustments E=(B+C+D) | (88.37) | (42.69) | (18.67) |
| Tax expense/(saving) thereon | (22.24) | (10.74) | (4.70) |
| Income from Other Sources | | | |
| Interest Income | 5.84 | 1.12 | - |
| Income from Other Sources(F) | 5.84 | 1.12 | - |
| Set-off from Brought forward Losses (G) | | | |
| Set-off from Brought forward Losses (G) | - | (100.61) | (151.39) |
| Taxable Income/(Loss) as per Income Tax (A+E+F+G) | 314.68 | 12.25 | (100.61) |
| Income Tax as returned/computed | 79.20 | 3.08 | - |
| Tax paid as per normal or MAT | Normal | Normal | Normal |

Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

Summary of significant accounting policies and Notes to Accounts

The accompanying notes are an integral part of the financial statements.
As per our report of even date

Auditor's For and on behalf of the Board of Directors of
J Madan & Associates Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")
Chartered Accountants

| | | | | |
|---|---|---|--|--|
|  |  |  |  |  |
| Naveen Kumar Partner M. No. 536759 Place: New Delhi Date: 21/08/2023 | Antaryami Nayak Director DIN - 07232463 Place: New Delhi Date: 21/08/2023 | Kamal Grover Director DIN - 07429267 Place: New Delhi Date: 21/08/2023 | Navneet Gupta CFO Place: New Delhi Date: 21/08/2023 | Ashima Bhatnagar Company Secretary M.No.: A25655 Place: New Delhi Date: 21/08/2023 |

RESTATED CONSOLIDATED FINANCIAL STATEMENT

J MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS



25 DDA, LSC, BLOCK M-1, VIKASPURI
NEW DELHI - 110018, DELHI
E-Mail: jmadanassociates@gmail.com
PH: 011-45508516, Mob: 9811785935
Website: http://jmadan.in/

Independent Auditor's Report on Restated Consolidated Financial Information

To,
The Board of Directors
Qualitek Labs Limited
(Formerly known as "Qualitek Labs Private Limited")
73, National Park, Lajpat Nagar-IV,
New Delhi-110024

1. We have examined the attached restated financial information of **Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")** (hereinafter referred to as "**the Company**") comprising the restated statement of assets and liabilities as at March 31, 2022 and March 31, 2021, restated statement of profit and loss and restated cash flow statement for the financial period/year ended on March 31, 2022 and March 31, 2021 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the "**restated financial information**" or "**Restated Consolidated Financial Information**") annexed to this report and initialed by us for identification purposes. These Restated Consolidated Financial Information have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on SME Platform ("**IPO**" or "**SME IPO**") of BSE Limited ("**BSE**") of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part – I of Chapter III of 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 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**");
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note**")



3. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for inclusion in the Draft Prospectus/Prospectus ("**Offer Document**") to be filed with Securities and Exchange Board of India ("SEBI"), BSE and Registrar of Companies (Delhi) in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Consolidated Financial Information. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Consolidated Financial Information taking into consideration:
 - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
 - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information;
 - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The Restated Consolidated Financial Information of the Company have been compiled by the management from consolidated audited financial statements for the year ended on March 31, 2022 and March 31, 2021.
6. Audit for the financial year ended on March 31, 2022 and March 31, 2021 was conducted by M/s. SAPR & Co. LLP vide their report dt. September 1, 2022 and September 28, 2021. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Consolidated Financial Information of the Company. The financial report included for these period/years is based solely on the report submitted by him.
7. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Consolidated Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended on March 31, 2022 and March 31, 2021.
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;



- c) have no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
- d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
8. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (i) The “restated statement of asset and liabilities” of the Company as at March 31, 2022 and March 31, 2021 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The “restated statement of profit and loss” of the Company for the financial period/year ended on at March 31, 2022 and March 31, 2021 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “restated statement of cash flows” of the Company for the financial period/year ended on at March 31, 2022 and March 31, 2021 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
9. 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 year ended on at March 31, 2022 and March 31, 2021 proposed to be included in the Offer Document.

Annexure to Restated Consolidated Financial Information of the Company:-

- a) Restated statement of assets and liabilities, as appearing in Annexure I to this report;
- b) Restated statement of profit and loss, as appearing in Annexure II to this report;
- c) Restated statement of cash flows as appearing in Annexure III to this report;
- d) Corporate Information and Significant accounting policies as restated as appearing in ANNEXURE IV to this report;
- e) Details of share capital as restated as appearing in Annexure V to this report;
- f) Details of reserves and surplus as restated as appearing in Annexure VI to this report;
- g) Details of long-term borrowings as restated as appearing in Annexure VII to this report;
- h) Details of deferred tax asset (net)/ liabilities as restated as appearing in Annexure VIII to this report;
- i) Details of Provisions as restated as appearing in Annexure IX to this report;
- j) Details of short-term borrowings as restated as appearing in Annexure X to this report;



- k) Details of trade payables as restated as appearing in Annexure XI to this report;
 - l) Details of other current liabilities as restated as appearing in Annexure XII to this report;
 - m) Details of property, plant & equipment and intangible assets as appearing in Annexure XIII to this report;
 - n) Details of non-current investments as restated as appearing in Annexure XIV to this report;
 - o) Details of long-term loans and advances as restated as appearing in Annexure XV to this report;
 - p) Details of other non-current assets as restated as appearing in Annexure XVI to this report;
 - q) Details of trade receivables as restated as appearing in Annexure XVII to this report;
 - r) Details of cash and bank balance as restated as appearing in Annexure XVIII to this report;
 - s) Details of short-term loans and advances as restated as appearing in Annexure XIX to this report;
 - t) Details of other current assets as restated as appearing in Annexure XX to this report;
 - u) Details of revenue from operations as restated as appearing in Annexure XXI to this report;
 - v) Details of other income as restated as appearing in Annexure XXII to this report;
 - w) Details of Direct Expenses as restated as appearing in Annexure XXIII to this report;
 - x) Details of employee benefit expenses as restated as appearing in Annexure XXIV to this report;
 - y) Details of finance costs as restated as appearing in Annexure XXV to this report;
 - z) Details of other expenses as restated as appearing in Annexure XXVI to this report;
 - aa) Details of Earning Per Share (EPS) as Restated in Annexure XXVII to this report;
 - bb) Details of related party transactions as restated as appearing in Annexure XXVIII to this report;
 - cc) Statement of net assets attributable to subsidiaries and associates as restated as appearing in Annexure XXIX to this report;
 - dd) Details of Foreign Currency Transactions as restated as appearing in Annexure XXX
 - ee) Details of contingencies & commitments as restated as appearing in Annexure XXXI to this report;
 - ff) Details of amount Due to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006 as Restated as appearing in Annexure XXXII.
 - gg) Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013 as restated as appearing in Annexure XXXIII to this report;
 - hh) Details of Contingent Liabilities & Commitments as Restated as appearing in Annexure XXXIV to this report;
 - ii) Details of Statement on Employee Benefits as Restated as appearing in Annexure XXXV to this report;
 - jj) Details of Statement of Adjustments to Audited Financial Statement as restated as appearing in Annexure XXXVI to this report;
 - kk) Details of Other Financial Information as Restated as appearing in Annexure XXXVII to this report;
 - ll) Details of Non Adjusted Items as Restated as appearing in Annexure XXXVIII to this report;
 - mmm) Details of Material Regrouping as Restated as appearing in Annexure XXXIX to this report;
10. 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 nor should this report be construed as a new opinion on any of the financial statements referred to therein.



11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with SEBI, BSE and Registrar of Companies (Delhi) in connection with the proposed SME IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For J Madan & Associates
Chartered Accountants
(Firm's Registration No. : 025913N)




Naveen Kumar
(Partner)

(M. No. 536759)

UDIN - 23536759 BGVAR3876

Place : DELHI

Date : 21/08/2023

Restated Financial Statements of Qualitek Labs Ltd.
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Annexure I

Restated Statement of Assets and Liabilities as on 31st March 2022

(Rs. In Lacs)

| Particulars | Annexures | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--|-----------|--------------------------------|--------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | V | 45.00 | 1.00 |
| Reserves and Surplus | VI | 41.73 | (54.46) |
| Minority Interest | | - | - |
| | | 87.73 | (53.46) |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | VII | 19.88 | 25.07 |
| Deferred Tax Liabilities | VIII | 3.91 | 0.58 |
| Long Term Provisions | IX | 3.32 | 1.20 |
| | | 27.11 | 26.85 |
| Current Liabilities | | | |
| Short Term Borrowings | X | 1714.80 | 1094.75 |
| Trade Payables | | | |
| Total outstanding dues of Micro Enterprises and Small Enterprises | | 68.55 | 179.58 |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | XI | 88.06 | 58.18 |
| Other Current Liabilities | XII | 115.31 | 125.17 |
| Short Term Provisions | IX | 0.36 | 0.35 |
| | | 1987.09 | 1460.03 |
| Total | | 2101.93 | 1433.42 |
| II. ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment and Intangible Assets | | | |
| -Property Plant and Equipment | | 759.50 | 633.36 |
| -Capital Work in Progress | XIII | 447.15 | 447.15 |
| Non-Current Investments | XIV | - | - |
| Long Term Loans & Advances | XV | 139.79 | 72.23 |
| Other Non Current Assets | XVI | 86.94 | 26.70 |
| | | 1433.37 | 1179.44 |
| Current Assets | | | |
| Trade Receivables | XVII | 220.12 | 120.23 |
| Cash and Bank Balances | XVIII | 102.79 | 14.33 |
| Short Term Loans and Advances | XIX | 344.50 | 118.43 |
| Other Current Assets | XX | 1.14 | 0.29 |
| | | 668.55 | 253.28 |
| Total | | 2101.93 | 1433.42 |

Summary of Significant accounting policies and notes to accounts

The accompanying notes are an integral part of the financial statements.

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

Auditor's

J Madan & Associates

Chartered Accountants

For and on behalf of the Board of Directors of

Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")

Naveen Kumar
Partner
M. No. 536759
FRN No. 025913N
Place: New Delhi
Date: 21/08/2023

Antaryami Nayak
Director
DIN - 67242463
Place: New Delhi
Date: 21/08/2023

Kamal Grover
Director
DIN - 07429267
Place: New Delhi
Date: 21/08/2023

Navneet Gupta
CFO
Place: New Delhi
Date: 21/08/2023

Ashima Bhatnagar
Company Secretary
M.No.: A25635
Place: New Delhi
Date: 21/08/2023

Restated Financial Statements of Qualitek Labs Ltd.
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Annexure II

Restated Statement of Profit and Loss for the period ended 31st March 2022

(Rs. In Lacs)

| | Notes | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|---|-------|--------------------------------|--------------------------------|
| Revenue | | | |
| Revenue From Operations | XXI | 1201.10 | 635.49 |
| Other Income | XXII | 5.16 | 1.95 |
| Total Income (I) | | 1206.25 | 637.44 |
| Expenses: | | | |
| Direct Expense | XXIII | 189.43 | 150.81 |
| Employee benefits expense | XXIV | 395.93 | 137.22 |
| Finance Costs | XXV | 31.93 | 1.08 |
| Depreciation and amortization expense | XIII | 50.77 | 34.79 |
| Other expenses | XXVI | 489.59 | 274.89 |
| Total Expenses (II) | | 1157.64 | 598.79 |
| Profit/(loss) before tax | | 48.61 | 38.65 |
| Tax expenses | | | |
| Current tax | | 3.08 | - |
| Deferred Tax Liability/(Assets) | | 3.34 | 23.34 |
| Tax Expense | | 6.42 | 23.34 |
| Profit/(loss) for the Period from continuing operations | | 42.19 | 15.31 |
| Profit Attributable to | | | |
| -Holding Company | | 42.19 | 15.61 |
| -Non Controlling Interest | | - | (0.30) |
| Restated Earnings per equity share [Nominal value of share Rs.10] | | | |
| Basic | | 20.73 | 156.10 |
| Diluted | XXVII | 20.73 | 156.10 |

Summary of Significant accounting policies and notes to accounts

The accompanying notes are an integral part of the financial statements.

This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date.

Auditor's

J Madan & Associates
Chartered Accountants

Naveen Kumar
Partner
M. No. 536759
FRN No. 025913N
Place: New Delhi
Date: 21/08/2023

For and on behalf of the Board of Directors of
Qualitek Labs Limited (Formerly known as "Qualitek Labs Private Limited")

Antaryami Nayak
Director
DIN: 07232463
Place: New Delhi
Date: 21/08/2023

Kamal Grover
Director
DIN: 06429267
Place: New Delhi
Date: 21/08/2023

Navneet Gupta
Director
DIN: 06429267
Place: New Delhi
Date: 21/08/2023

Ashima Bhatnagar
Company Secretary
M.No.: A25655
Place: New Delhi
Date: 21/08/2023

Restated Financial Statements of Qualitek Labs Ltd.
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

Annexure III

Restated Statement of Cash Flows for the period ended 31st March 2022

(Rs. In Lacs)

| | 31st March 2022 | 31st March 2021 |
|---|-----------------|-----------------|
| | Rs. in Lacs | Rs. in Lacs |
| Cash Flow From Operating Activities | | |
| Net Profit After Tax | 45.53 | 38.65 |
| Add: Depreciation | 50.77 | 34.79 |
| Add: Finance Cost | 31.93 | 1.08 |
| Add: Provision for Gratuity | 2.12 | 0.41 |
| Less: Liability written off | (4.04) | (0.06) |
| Taxs. Accrued Income | (0.04) | - |
| Add: Bad Debts | 0.35 | 0.11 |
| Operating Profit before Working Capital Changes | 176.61 | 74.94 |
| Changes in working Capital requirements | | |
| (Increase)/Decrease in Trade receivable | (100.24) | (70.64) |
| (Increase)/Decrease in other Assets | (100.11) | (0.95) |
| Increase/(Decrease) in other Current Liabilities | (5.82) | 92.27 |
| Increase/(Decrease) in Trade Payable | (81.14) | 118.94 |
| Increase/(Decrease) in Short Term Provision | - | 0.06 |
| (Increase)/Decrease in Loans and Advances | (236.17) | (38.21) |
| (Increase)/Decrease in security deposit | (60.24) | - |
| | (457.11) | 176.41 |
| Less: Taxes Paid | (57.46) | (41.14) |
| Cash Flow From Operating Activities | (514.57) | 135.27 |
| Cash Flow From Investing Activities | | |
| Purchase Of Property, Plants & Equipments | (176.91) | (605.98) |
| Minority Interest | - | 0.30 |
| Cash Flow From Investing Activities | (176.91) | (605.68) |
| Cash Flow From Financing Activities | | |
| Issue of Share Capital | 45.00 | - |
| Proceeds from security premium | 54.00 | - |
| Proceed from Long Term Borrowing | - | - |
| Repayment of Long Term Borrowings | (5.19) | (614.46) |
| Increase/(Decrease) in Short Term Borrowings | 618.05 | 1097.41 |
| Finance Cost | (31.93) | (1.08) |
| Cash Flow From Financing Activities | 679.93 | 481.88 |
| Cash & Bank Balance During the Year | (A+B+C) | (11.54) |
| Add: Cash & Bank Balance Last Year | | 14.33 |
| Total Cash & Bank Balance | 2.79 | 14.33 |
| Components Of Cash and Bank Balance In Balance Sheet | | |
| Balance with Bank and cash | 2.79 | 14.33 |
| Total Cash & Bank Balance | 2.79 | 14.33 |

1 The Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in AS3, Statement of Cash Flows

Summary of Significant accounting policies and notes to accounts

The accompanying notes are an integral part of the financial statements.

This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date.

Auditor's
J Madan & Associates
Chartered Accountants

Naveen Kumar
Partner
M. No. 536759
FRN No. 025913N
Place: New Delhi
Date: 21/08/2023

Antaryami Nayak
Director
DIN - 07232463
Place: New Delhi
Date: 21/08/2023

Kamal Grover
Director
DIN: 07429267
Place: New Delhi
Date: 21/08/2023

Navneet Gupta
CFO
Place: New Delhi
Date: 21/08/2023

Ashima Bhatnagar
Company Secretary
M.No.: A25655
Place: New Delhi
Date: 21/08/2023

Annexure IV : CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

1 Corporate Information

"Qualitek Labs Private Limited ("the Company") (formerly known as Qualitek Labs Private Limited), is incorporated in India as a private limited company under the Companies Act, 2013. The Company is engaged in the business of providing testing, inspection and certification services in the fields of Automobiles, Electronics & Electricals, Pharmaceuticals, Food, Environment, Minerals etc. The Company operates state-of-the-art laboratories which are accredited with NABL and other accreditation bodies in India."

2 Restated Significant Accounting Policies

(i) Basis of preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises the applicable provisions of the Companies Act, 2013 and Mandatory Accounting Standards as per the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Principles of Consolidation

(a) The consolidated financial statements relate to Qualitek Labs Ltd. ("the Company") (Qualitek Labs Private Limited) and its subsidiary. The consolidated financial statements have been prepared on the following basis:

- In respect of subsidiary enterprise, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements prescribed by Companies (Accounting Standards) Rules, 2006.
- The excess of cost over the Company's investments in the subsidiary is recognized in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(b) The subsidiary considered in the consolidated financial statements:

| Nature of the Entity | Country of Incorporation | Proportion of ownership interest as at 31st March 2022 |
|---|--------------------------|--|
| Quality and Testing Infosolutions Private Limited | India | 70% |

| Nature of the Entity | Country of Incorporation | Proportion of ownership interest as at 31st March 2021 |
|---|--------------------------|--|
| Quality and Testing Infosolutions Private Limited | India | 70% |

(iii) Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements and the results of operations during the reporting period end. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of fixed assets, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iv) Current and Non Current Classifications

All assets and liabilities are classified into current and non-current

Assets

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 company's normal operating cycle
- b. It is held primary for the purpose of being traded
- c. It is expected to be realized within 12 months after the reporting date or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.



Annexure IV : CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

(v) (a) Property, Plant and Equipment

ai) Initial Recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period
- The Expenses incurred and material used during construction phase have been capitalised in the books. The Lab in the Bhuvneshwar is in the construction phase, therefore, all the related expenditure during the period have been considered for capitalisation.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

aii) Subsequent Recognition

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(b) Depreciation

Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

| Description | Schedule II Useful Life |
|-------------------|----------------------------|
| Computer | 3.00 |
| Office Equipments | 5.00 |
| Vehicles | 8.00 |
| Office Furnitures | 10.00 |
| Plant & Machinery | 15.00 |



(vi) Impairment

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 assets. If such recoverable amount of the asset or the recoverable amount of cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. 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 depreciable historical cost.

Annexure IV : CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

(vii) Revenue Recognition

a) Sale of Services

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The primary source of revenue of the Company is from providing testing, inspection and certification services. Revenue from rendering of services is recognized on accrual basis in accordance with the terms of underlying agreement. Revenue from time and material contracts is recognised as and when the Company renders the service. Company follows completed service contract method for recognising revenue as per AS 9.

b) Interest and Other Income

Interest income is accounted on accrual basis. Income other than interest income is accounted for when right to receive such income is established.

(viii) Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in statement of profit and loss of the year. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognized in statement of profit and loss of the year and related assets and liabilities are accordingly restated in the balance sheet.

(ix) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits.

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.

(x) Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 recognise a decline other than temporary in the value of the long term investments.

(xi) Current and Deferred Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.



Annexure IV : CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

(xii) Foreign Currency Transactions

A foreign currency transaction has been recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items has been reported using the closing rate. However, in certain circumstances, the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date. In such circumstances, the relevant monetary item has been reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date.

(xiii) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(xiv) Provisions and Contingencies

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

There are no contingent liability as on 31st March 2021.

(xv) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank accounts, fixed deposits with banks and other short term highly liquid investments with original maturities of three months or less.

(xvi) Borrowing Costs

Borrowing Costs are the interest and other costs incurred by an enterprise in relation to the borrowing of funds. These costs may include interest and commitment charges on bank borrowings and other short term and long term borrowings. The borrowing costs that directly relate with the acquisition, construction or production of a qualifying asset need to be capitalized as a part of the cost of the asset. The finance cost related to construction have been capitalised in the books.

(xvii) Preparation of Restated Financial Statements

As per SEBI (ICDR) Regulations, 2018, the financial information should be restated to ensure consistency in the presentation, disclosures, and the accounting policies for all the periods presented in line with that of the latest financial year. Thus, the financial statements are required to be restated or adjusted for:

- (a) change in accounting policies
- (b) incorrect accounting practices or failure to make provisions or for other significant errors and regrouping
- (c) change in accounting estimates
- (d) qualified opinion, adverse opinion, disclaimer of opinion

As per SEBI (ICDR) Regulations, 2018, it is necessary to prepare the restated consolidated financial information considering above adjustments as per Schedule III to the Companies Act, 2013 for a period of three financial years and for the in tabular form. The restated financial information shall be audited and certified by the statutory auditors who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI)



Annexure V: Share Capital as Restated

(Rs. in Laacs)

Annexure V: Share Capital as Restated

Authorised Share Capital

5,00,000 equity shares of Rs. 10/- each as on 31st March 2022 and 10,000 equity shares of Rs. 10/- each as on 31st March 2021

| 31st March 2022 Rs. in Laacs | 31st March 2021 Rs. in Laacs |
|---------------------------------|---------------------------------|
|---------------------------------|---------------------------------|

| | |
|-------|------|
| 50.00 | 1.00 |
|-------|------|

Issued, Subscribed and Fully Paid-Up Share Capital

7,72,500 Equity Shares of Rs. 10/- each fully paid up (4,60,000 equity shares of Rs. 10/- each as on 31st March 2022 and 10,000 equity shares of Rs. 10/- each as on 31st March 2021)

| | |
|-------|------|
| 46.00 | 1.00 |
|-------|------|

| | |
|-------|------|
| 46.00 | 1.00 |
|-------|------|

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars

Shares outstanding at the beginning of the year
Add: Shares issued during the year
Shares outstanding at the end of the period

| 31st March 2022 | | 31st March 2021 | |
|-----------------|--------|-----------------|--------|
| No.'s | Amount | No.'s | Amount |
| 10,000 | 1.00 | 10,000 | 1.00 |
| 4,50,000 | 45.00 | - | - |
| 4,60,000 | 46.00 | 10,000 | 1.00 |

(b) Rights, preferences and restrictions attached to shares

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.

(c) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder

TIC SERVICES PVT. LTD.



| 31st March 2022 | | 31st March 2021 | |
|-----------------|-------|-----------------|-------|
| No.'s | % | No.'s | % |
| 4,59,999 | 99.99 | 9,999 | 99.99 |

As per the records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Details of Shares held by promoters

| Name of Shareholder | 31st March 2022 | | | 31st March 2021 | | |
|---|-----------------|-------|--------------------------|-----------------|--------|--------------------------|
| | No.'s | In % | % change in shareholding | No.'s | In % | % change in shareholding |
| 1 TIC SERVICES PVT. LTD. | | | | | | |
| At the beginning of the period | 9,999 | 99.99 | - | 9,999 | 99.99 | - |
| Add: Issued during the year for consideration in cash | 4,50,000 | - | - | - | - | - |
| At the end of the period | 4,59,999 | 99.99 | - | 9,999 | 99.99 | - |
| 2 ALOK KUMAR AGARWAL | | | | | | |
| At the beginning of the period | 1 | 0.01 | - | 1 | 0.01 | - |
| Add: Issued during the year for consideration in cash | - | - | - | - | - | - |
| At the end of the period | 1 | 0.01 | - | 1 | 0.01 | - |
| | 4,60,000 | 100 | - | 10,000 | 100.00 | - |

Equity Shares: The company has one class of equity shares having a par value of Rs10 per share. Each shareholder is eligible for one vote per share held.

Annexure VI: Reserve and Surplus as Restated

Share Premium

Balance as per last financial statements

Add: Received during the year

Balance as per end of the financial period (A)

Surplus/(deficit) in the statement of profit & loss

Balance as per the last financial statements

Profit/(Loss) for the year

*Non - Controlling Interest

Closing Balance

Total reserves and surplus

*As per AS 21- loss of subsidiary will be attributable to minority upto minority interest in Equity Subsidiary.

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|---|--------------------------------|--------------------------------|
| Share Premium | | |
| Balance as per last financial statements | - | - |
| Add: Received during the year | 54.00 | - |
| Balance as per end of the financial period (A) | 54.00 | - |
| Surplus/(deficit) in the statement of profit & loss | | |
| Balance as per the last financial statements | (54.46) | (70.07) |
| Profit/(Loss) for the year | 42.19 | 15.61 |
| *Non - Controlling Interest | - | - |
| Closing Balance | (12.27) | (54.46) |
| Total reserves and surplus | 41.73 | (54.46) |



Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

Annexure VII: Long Term Borrowings as Restated

Vehicle Loan(Secured)
From Banks
ICICI Bank

| 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--------------------------------|--------------------------------|
| 19.88 | 25.07 |
| 19.88 | 25.07 |

| Nature of Security | Terms of Repayment | Applicable Interest Rate |
|---|--|--------------------------|
| Secured Loan of of Rs. 29,70,000 from ICICI Bank is secured by hypothecation of Car | Loan is repayable in 60 Equated Monthly Installments Rs. 66023 | 12% |

Annexure VIII: Deferred Tax Asset (net)/ Liabilities as Restated

Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting.
Business Loss are allowed to be carried forward and set off u/s 72 of Income Tax Act in the future years (to the extent considered reasonable)
Unabsorbed Depreciation are allowable as deduction under section 32(2) under the income tax in the future year(To the extent considered
Pre incorporation expenses u/s 35D of Income Tax Act in future years
Impact of Provision for Gratuity

| 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--------------------------------|--------------------------------|
| (39.21) | (26.36) |
| 34.38 | 25.32 |
| - | - |
| 0.08 | 0.16 |
| 0.84 | 0.30 |
| (3.91) | (0.58) |

Annexure IX: Provisions as Restated

Provision for Gratuity
Provision for Audit fees

| 31st March 2022 Rs. in Lacs | Non Current | | Current | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31st March 2021 Rs. in Lacs | 31st March 2021 Rs. in Lacs | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
| 3.32 | 1.20 | 0.01 | 0.01 | |
| - | - | 0.35 | 0.35 | |
| 3.32 | 1.20 | 0.36 | 0.35 | |

Annexure X: Short Term Borrowings as Restated

Secured Loans

A. Current Maturities of Long Term Borrowings
B. Bank Overdraft*

Unsecured

A. Loan from Related Parties

TIC Services Pvt. Ltd.
Loan from Director
Loan from ASC Consulting

| 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--------------------------------|--------------------------------|
| 595.31 | 302.69 |
| 293.54 | - |
| 825.50 | 793.61 |
| 0.44 | 0.44 |
| - | - |
| 1714.80 | 1096.75 |



Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

| Nature of Security | Terms of Repayment | Applicable Interest Rate |
|--|--|--------------------------|
| Secured Loan of Rs. 29,70,000 from ICICI Bank is secured by hypothecation of Car | Loan is repayable in 60 Equated Monthly Installments Rs. 66023 | 12% |
| Secured Loan of Rs. 6,00,00,000 from Axis Bank is secured against Industrial Property (Plot No. 40, Block C Sector-57, Noida, Uttar Pradesh-201301, | Loan is repayable in 179 equated monthly installments of Rs. 3,33,400 and 1 installment of Rs. 3,21,400 | 7.50% |
| Secured Loan of Rs. 2,55,00,000 from Hero Finance is secured against property (Appt No. H2E 184, 18th Floor BLDG No. 2 Block E Westened Height DLF City Phase V, Gurgaon, Haryana) | Loan is repayable within 18 Equated Monthly installments of Rs. 3,04,336 and 1 installment of Rs. 2,47,17,690.** | 11.90% |
| Secured Loan of Rs. 50,73,014 from Hero Finance is secured against property (Appt No. H2E 184, 18th Floor BLDG No. 2 Block E Westened Height DLF City Phase V, Gurgaon, Haryana) | Loan is repayable within 12 installments (in which only interest amount is required to pay) and 36 installments of Rs. 1,70,343*** | 12.51% |

*Bank Overdraft is secured against existing and future current assets and also by Hypothecation of Property (C-40, Sec 57, Noida, UP-201307)

**However, Loan is repaid within 10 unequated monthly installments

***Loan is repaid within 12 unequated monthly installments

Annexure XI: Trade Payables as Restated

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--|--------------------------------|--------------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 68.55 | 179.58 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 88.06 | 58.18 |
| | 156.62 | 237.76 |

As at 31/3/2022

| Particulars | Outstanding for following periods from due date of payment | | | | |
|--------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Undisputed dues - MSME | 45.47 | 11.45 | 11.63 | - | 68.55 |
| Undisputed dues - Others | 54.86 | 31.82 | 1.38 | - | 88.06 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

As at 31/3/2021

| Particulars | Outstanding for following periods from due date of payment | | | | |
|--------------------------|--|-----------|-----------|-------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Undisputed dues - MSME | 165.37 | 14.19 | 0.02 | - | 179.58 |
| Undisputed dues - Others | 55.45 | 2.74 | - | - | 58.18 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

Annexure XII: Other Current Liabilities as Restated

Duties and taxes
PF ESI Payable
Advance from Vendor
Other Expense Payable
Salary Payable



| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|-----------------------|--------------------------------|--------------------------------|
| Duties and taxes | 19.58 | 7.24 |
| PF ESI Payable | 1.95 | 1.78 |
| Advance from Vendor | 67.04 | 83.87 |
| Other Expense Payable | 8.69 | 23.01 |
| Salary Payable | 18.06 | 9.27 |
| | 115.31 | 125.17 |

Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

Annexure XIII: Property Plant & Equipment as Restated
As at 31st March 2022

| Particular | Rate | Gross Block | | | | | | Depreciation Block | | | | Net Block | |
|--------------------------|--------|--------------------------------------|--------------------------|-----------------------------|--------------------------------|---------------------------------|---------------------------------------|--------------------------------------|--------------------------|--|---------------------------------------|---------------------------------------|--------------------------------------|
| | | Opening Balance as on 1st April 2021 | Addition during the year | Capitalized during the year | Sale/ disposal during the year | Profit/ (Loss) on sale of Asset | Closing Balance as on 31st March 2022 | Opening Balance as on 1st April 2021 | Provided during the year | Deduction/ adjustments during the year | Closing Balance as on 31st March 2022 | Carrying Amount as on 31st March 2022 | Carrying Amount as on 1st April 2021 |
| Computer and Others | 31.67% | 7.31 | 6.35 | - | - | - | 13.65 | 2.95 | 2.82 | - | 5.77 | 7.88 | 4.35 |
| Office Equipment - Books | 19.00% | 5.23 | - | - | - | - | 5.23 | 1.31 | 0.77 | - | 2.08 | 3.15 | 3.93 |
| Office Equipment - OE | 19.00% | 1.90 | - | - | - | - | 1.90 | 0.33 | 0.32 | - | 0.65 | 1.25 | 1.56 |
| Furniture and Fixture | 9.50% | 17.17 | 15.15 | - | - | - | 32.32 | 2.21 | 2.40 | - | 4.61 | 27.71 | 14.95 |
| Plant and Machinery | 6.33% | 623.99 | 155.41 | - | - | - | 779.40 | 53.45 | 39.58 | - | 93.03 | 686.37 | 570.54 |
| Motor Vehicles | 11.88% | 41.05 | - | - | - | - | 41.05 | 3.02 | 4.88 | - | 7.90 | 33.15 | 38.03 |
| Total | | 696.63 | 176.91 | | | | 873.54 | 63.27 | 50.77 | | 114.04 | 759.50 | 633.36 |

Capital WIP

| Particular | Rate | Gross Block | | | | | | Depreciation Block | | | | Net Block | |
|-----------------------------|-------|--------------------------------------|--------------------------|-----------------------------|--------------------------------|---------------------------------|---------------------------------------|--------------------------------------|--------------------------|--|---------------------------------------|---------------------------------------|--------------------------------------|
| | | Opening Balance as on 1st April 2021 | Addition during the year | Capitalized during the year | Sale/ disposal during the year | Profit/ (Loss) on sale of Asset | Closing Balance as on 31st March 2022 | Opening Balance as on 1st April 2021 | Provided during the year | Deduction/ adjustments during the year | Closing Balance as on 31st March 2022 | Carrying Amount as on 31st March 2022 | Carrying Amount as on 1st April 2021 |
| Furniture and Fixture - WIP | 0.00% | 247.35 | - | - | - | - | 247.35 | - | - | - | - | 247.35 | 247.35 |
| Plant & Machinery WIP | 0.00% | 199.80 | - | - | - | - | 199.80 | - | - | - | - | 199.80 | 199.80 |
| Total | | 447.15 | | | | | 447.15 | | | | | 447.15 | 447.15 |



Annexures to Restated Consolidated Financial Statements

(Rs. in Lacs)

As at 31st March 2021

| Particular | Rate | Gross Block | | | | | | Depreciation Block | | | | Net Block | |
|--------------------------|--------|--------------------------------------|--------------------------|-----------------------------|--------------------------------|---------------------------------|---------------------------------------|--------------------------------------|--------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | | Opening Balance as on 1st April 2020 | Addition during the year | Capitalized during the year | Sale/ disposal during the year | Profit/ (Loss) on sale of Asset | Closing Balance as on 31st March 2021 | Opening Balance as on 1st April 2020 | Provided during the year | Deduction/ adjustments during the year | Closing Balance as on 31st March 2021 | Carrying Amount as on 31st March 2021 | Carrying Amount as on 31st March 2020 |
| Computer and Others | 31.67% | 5.48 | 1.82 | - | - | 7.31 | 1.50 | 1.45 | - | 2.95 | 4.35 | 3.90 | |
| Office Equipment - Books | 19.00% | 3.10 | 2.13 | - | - | 5.23 | 0.71 | 0.60 | - | 1.31 | 3.93 | 2.30 | |
| Office Equipment - OE | 19.00% | 0.64 | 1.26 | - | - | 1.90 | 0.12 | 0.21 | - | 0.33 | 1.56 | 0.51 | |
| Furniture and Fixture | 9.50% | 9.62 | 7.54 | - | - | 17.17 | 0.98 | 1.23 | - | 2.21 | 14.55 | 8.64 | |
| Plant and Machinery | 6.33% | 397.02 | 226.97 | - | - | 623.99 | 25.17 | 26.25 | - | 53.45 | 570.54 | 371.84 | |
| Motor Vehicles | 11.88% | - | 41.05 | - | - | 41.05 | - | 3.02 | - | 3.02 | 38.13 | 0.00 | |
| Total | | 415.86 | 280.78 | | | 696.63 | 28.48 | 34.79 | | 63.27 | 633.36 | 387.37 | |

Capital WIP

| Particular | Rate | Gross Block | | | | | | Depreciation Block | | | | Net Block | |
|-----------------------------|-------|--------------------------------------|--------------------------|-----------------------------|--------------------------------|---------------------------------|---------------------------------------|--------------------------------------|--------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | | Opening Balance as on 1st April 2020 | Addition during the year | Capitalized during the year | Sale/ disposal during the year | Profit/ (Loss) on sale of Asset | Closing Balance as on 31st March 2021 | Opening Balance as on 1st April 2020 | Provided during the year | Deduction/ adjustments during the year | Closing Balance as on 31st March 2021 | Carrying Amount as on 31st March 2021 | Carrying Amount as on 31st March 2020 |
| Furniture and Fixture - WIP | 0.00% | 121.95 | 125.41 | - | - | 247.35 | - | - | - | - | 247.35 | 121.95 | |
| Plant & Machinery WIP | 0.00% | - | 199.80 | - | - | 199.80 | - | - | - | - | 199.80 | - | |
| Total | | 121.95 | 325.20 | | | 447.15 | | | | | 447.15 | 121.95 | |



Restated Financial Statements of Qualitek Labs Ltd.
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Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

Annexure XIV: Non Current Investments as Restated

| | 31st March 2022 | | 31st March 2021 | |
|--|-----------------|-------------|-----------------|-------------|
| | No's. | Rs. in Lacs | No's. | Rs. in Lacs |
| Other Investments | | | | |
| Unquoted | | | | |
| (a) Investments in Equity Instruments | | | | |
| Quality & Testing Infosolution Private Limited | 7,000 | - | 7,000 | - |
| | 7,000 | | 7,000 | |

Annexure XV: Long Term Loans and Advances as Restated

| | 31st March 2022 | 31st March 2021 |
|---|-----------------|-----------------|
| | Rs. in Lacs | Rs. in Lacs |
| Income tax refund | 39.57 | 31.09 |
| Advance Tax & TDS (Net of Provisions for tax) | 90.12 | 41.14 |
| Advances given to related parties | 10.09 | - |
| | 139.79 | 72.23 |

Annexure XVI: Other Non Current Assets as Restated

| | 31st March 2022 | 31st March 2021 |
|------------------|-----------------|-----------------|
| | Rs. in Lacs | Rs. in Lacs |
| Security Deposit | 86.94 | 26.70 |
| | 86.94 | 26.70 |

Annexure XVII: Trade Receivables as Restated

| | 31st March 2022 | 31st March 2021 |
|----------------------------|-----------------|-----------------|
| | Rs. in Lacs | Rs. in Lacs |
| Receivable | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 220.12 | 120.23 |
| | 220.12 | 120.23 |

As at 31/3/2022

| Particulars | Outstanding for following periods from the date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade receivables-considered good | 204.22 | 14.26 | 1.10 | 0.46 | 0.09 | 220.12 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |



Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

As at 31/3/2021

| Particulars | Outstanding for following periods from the date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade receivables-considered good | 111.76 | 3.82 | 4.37 | 0.28 | - | 120.23 |
| (ii) Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

Annexure XVIII: Cash and Bank Balances as Restated

Cash & Cash Equivalents

Axis Bank

HDFC Bank

Other Bank Balances

Fixed Deposit

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|---------------------|--------------------------------|--------------------------------|
| Axis Bank | 1.86 | 13.14 |
| HDFC Bank | 0.93 | 1.19 |
| Other Bank Balances | | |
| Fixed Deposit | 100.00 | |
| | 102.79 | 14.33 |

Note: Fixed Deposit (FD) is provided against Bank Guarantee.

Annexure XIX: Short Term Loans and Advances as Restated

Advance to Vendor

-Related Parties

-Others

GST input credit

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|-------------------|--------------------------------|--------------------------------|
| Advance to Vendor | | |
| -Related Parties | - | - |
| -Others | 320.18 | 79.03 |
| GST input credit | 24.33 | 39.39 |
| | 344.50 | 118.43 |

Annexure XX: Other Current Assets as Restated

Accrued Income

Prepaid Expense

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|-----------------|--------------------------------|--------------------------------|
| Accrued Income | 0.04 | - |
| Prepaid Expense | 1.10 | 0.99 |
| | 1.14 | 0.99 |

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Restated Financial Statements of Qualitek Labs Ltd.
(Formerly known as "Qualitek Labs Private Limited")
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Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

Annexure XXI: Revenue from Operations as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|------------------|--------------------------------|--------------------------------|
| Sale of Services | 1201.10 | 635.49 |
| | 1201.10 | 635.49 |

Annexure XXII: Other Income as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|-----------------------------|--------------------------------|--------------------------------|
| Interest received on refund | 1.08 | - |
| Interest Income | 0.04 | - |
| Discount Received | - | 0.91 |
| Liability Written Off | 4.04 | 0.09 |
| Scrap Sale | - | 0.93 |
| | 5.16 | 1.93 |

Annexure XIII: Direct Expenses as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--------------------------------------|--------------------------------|--------------------------------|
| Testing Material | 45.05 | 14.82 |
| Testing Service Charges | 130.49 | 118.99 |
| Calibration Services | 6.58 | 6.65 |
| Consumable Expenses | 0.42 | 4.48 |
| Packaging Charges and Transportation | 0.22 | 1.80 |
| Electrical Material | 5.90 | - |
| Lab Expenses | 0.76 | 4.07 |
| | 189.43 | 150.81 |

Annexure XXIV: Employee benefits expense as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|---|--------------------------------|--------------------------------|
| Salaries and Wages | 372.65 | 126.06 |
| Staff Welfare Expenses | 9.52 | 1.57 |
| Gratuity Expense | 2.12 | 0.41 |
| Contribution to Provident and other Funds | 11.64 | 9.18 |
| | 395.93 | 137.22 |

Annexure XXV: Finance Costs as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|-----------------------|--------------------------------|--------------------------------|
| Interest on Loans | 28.34 | - |
| Bank Charges | 3.53 | 0.38 |
| Interest on TDS & GST | 0.06 | 0.70 |
| Interest on MSME | - | - |
| | 31.93 | 1.08 |



Restated Financial Statements of Qualitek Labs Ltd.
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Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

Annexure XXVI: Other expenses as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--------------------------------------|--------------------------------|--------------------------------|
| Audit Fee (Annexure (a)) | 0.35 | 0.35 |
| Office and Administrative Expenses | 27.85 | 14.99 |
| Printing & Stationery Exp | 4.80 | 0.50 |
| Postage and Courier Charges | 24.10 | 5.95 |
| Repair and Maintenance Exp | | |
| Building | 0.87 | - |
| Plant & Machinery | 6.08 | - |
| Other | 2.50 | 4.11 |
| Professional Fees | 60.67 | 37.13 |
| Rent Expense | 80.99 | 68.41 |
| Advertisement & Sales Promotion Exp. | 0.33 | 0.13 |
| Travelling & Conveyance Exp | 38.35 | 3.61 |
| Electricity & Water Charges | 187.80 | 129.13 |
| Insurance Charges | 9.76 | 0.69 |
| Telephone and Internet Charges | 10.03 | 0.79 |
| Net Gain/Loss in foreign exchange | 1.13 | 1.20 |
| Statutory Charges | 2.39 | 0.39 |
| Security Expenses | 3.99 | 0.52 |
| Power & Fuel Expenses | 18.77 | 5.89 |
| Bad Debts | 0.35 | 0.11 |
| Packing & Delivery Expense | 2.25 | - |
| Input GST written off | 1.25 | - |
| Software expense | | 0.65 |
| Misc. Expenses | 4.91 | 0.32 |
| Asset written off | | |
| | 489.59 | 274.89 |

Annexure(a) : Payment to Auditors as Restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|---------------------|--------------------------------|--------------------------------|
| Statutory Audit Fee | 0.24 | 0.24 |
| Tax Audit Fee | 0.11 | 0.11 |
| | 0.35 | 0.35 |



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Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

| Annexure XXVII: Earnings per share (EPS) as Restated | 31st March 2022 | 31st March 2021 |
|---|-----------------|-----------------|
| | Rs. in Lacs | Rs. in Lacs |
| Earnings attributable to Equity Shareholders | 42.19 | 15.61 |
| Weighted average number of equity shares in calculating basic EPS | 2,03,562 | 10,000 |
| Basic Earning per share | <u>20.73</u> | <u>156.10</u> |
| Diluted Earning per share | <u>20.73</u> | <u>156.10</u> |

Annexure XXVIII: Related party transactions

In accordance with the requirement of Accounting Standard(AS-18) on related party disclosures, the name of the related parties where control exists and/or with whom transaction have taken place during the period and description of relationship, as identified and certified by the management are as below:

1. Names of related parties and related party relationships

A. Key Management Personnel

| | |
|------------------------|--------------------|
| Director | Mr. Kamal Grover |
| Director of Subsidiary | Ms. Savina Bansal |
| Director of Subsidiary | Mr. Mayank Singhal |

B. Other related parties

| | |
|--|---|
| Holding Company | TIC Services Private Limited |
| Subsidiary Company | Quality & Testing Infosolution Pvt Ltd |
| Common Director | ASC Consulting Private Limited |
| Common Director | ASC Financial Services Private Limited |
| Common Director | SKM Realcon Private Limited |
| Entity Under Common Control | Intersteller Testing Centre Private Limited |
| Entity in which Directors are interested | A S C B S R and Company LLP |
| Holding Company | Quality Labs Private Limited |
| Common Director | Medicia Business Solutions Private Limited |

C. Non Executive Director

| | |
|----------|------------------------|
| Director | Mr. Alok kumar Agarwal |
| Director | Ms. Anju Agarwal |

Transactions with KMP

Kamal Grover

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|--|--------------------------------|--------------------------------|
| Reimbursement of Expenses | 9.93 | |
| Loan taken | 6.94 | 1.94 |
| Loan Repaid | 6.50 | 1.50 |
| Advance Given | 12.04 | 2.00 |
| Payment Received against Advance given | 1.50 | 2.00 |

Transactions with Other Related Parties

TIC Services Private Limited

| | | |
|-------------|--------|--------|
| Loan Taken | 920.18 | 445.68 |
| Loan Repaid | 888.29 | 32.50 |

ASC Consulting Private Limited

| | | |
|-----------------------------|------|-------|
| Professional Expenses | 0.08 | - |
| Professional Service Income | 2.42 | - |
| Loan Taken | | 15.00 |
| Repayment of Loan | | 15.00 |

ASC Financial Services Private Limited

| | | |
|-----------------------|------|---|
| Professional Expenses | 6.21 | - |
|-----------------------|------|---|

Intersteller Testing Centre Private Limited

| | | |
|------------------------------|------|------|
| Professional Service Income | 6.09 | 0.20 |
| Professional Service Expense | 6.81 | 0.03 |
| Loan from Intersteller | | |

A S C B S R And Company LLP

| | | |
|----------------------|------|------|
| Professional expense | 5.50 | 3.00 |
|----------------------|------|------|

Total

| | |
|----------------|---------------|
| 1872.49 | 516.85 |
|----------------|---------------|



Restated Financial Statements of Qualitek Labs Ltd.
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Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

| <u>Closing Balance</u> | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|---|--------------------------------|--------------------------------|
| Short Term Borrowings | | |
| TIC Services Private Limited | 825.50 | 793.61 |
| ASC Consulting Pvt. Ltd. | | |
| Kamal Grover | 0.44 | 0.44 |
| Intersteller Testing Centre Private Limited | | |
| Long term / Short term loan & Advances Given | | |
| Kamal Grover | 10.09 | - |
| Debtor | | |
| Intersteller Testing Centre Private Limited | 6.43 | 4.50 |
| Kamal Grover | | 2.19 |
| Creditor | | |
| Intersteller Testing Centre Private Limited | 9.60 | 3.54 |
| ASC Consulting Pvt. Ltd. | 0.08 | 0.61 |
| A S C B S R And Company LLP | 3.24 | 2.76 |
| SKM Realcon | | |
| Kamal Grover | 0.27 | |
| Total | 855.67 | 807.66 |

Annexure XXIX: Disclosure of Net Assets attributable to Subsidiaries and Associates
As at/for the year ended 31st March 2022

| Name of the entity in the Parent Company | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
|--|--|--------------|-------------------------------------|--------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Parent | 216.12% | 189.61 | 269.17% | 113.57 |
| Subsidiaries | (116.12%) | (101.88) | (169.17%) | (71.38) |
| Total | 100% | 87.73 | 100% | 42.19 |

As at/for the year ended 31st March 2021

| Name of the entity in the Parent Company | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
|--|--|----------------|-------------------------------------|--------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Parent | 42.95% | (22.96) | 301.17% | 46.11 |
| Subsidiaries | 57.05% | (30.50) | (201.17%) | (30.80) |
| Total | 100% | (53.46) | 100% | 15.31 |

Annexure XXX: Foreign Currency Transactions as restated

| | 31st March 2022 Rs. in Lacs | 31st March 2021 Rs. in Lacs |
|----------------------|--------------------------------|--------------------------------|
| Earnings | | |
| Export of Services | | |
| Expenditure | | |
| Outsourcing Services | 58.60 | 44.16 |

* Above figures are taken on Actual Basis.



Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

Annexure XXXI: Contingencies & Commitments as Restated

There is no contravention of laws or regulations the effect of which could form the basis for recording a contingent loss provision or a disclosure in the financial statement and there are no other material liabilities or contingent gains or losses which require accrual or disclosure.

There are no significant claims for which the Company would be contingently liable in respect of litigation, if any which may be pending against the Company. There is no litigation pending against any of the employees of the Company for which the Company would be contingently liable either directly or indirectly.

The Company is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material. So far as the Management is aware, no such litigation or arbitration proceedings are pending or threatened.

Annexure XXXII: Due to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006 as Restated

The principal amount and the interest due thereon

| | 31 March 2022 Rs. in Lacs | 31 March 2021 Rs. in Lacs |
|---|------------------------------|------------------------------|
| Principal amount due to micro and small enterprises | 68.55 | 179.58 |
| Interest due on above | - | - |
| Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed | - | - |
| Amount of interest accrued and remaining unpaid | - | - |
| Amount of further interest due and payable in the succeeding year, until the interest dues as above are actually paid, for | - | - |

During the year, Company has recognise interest on dues of MSME parties with whom transactions took place during the year or dues are outstanding at the end of the year. The Interest provision for previous year are not recorded as they were paid in current financial year.

Annexure XXXIII: Additional Regulatory Requirement as Restated

- No Immovable property is held by company.
- During the year, no revaluation was made in Company's property, plant and equipment
- Company has borrowings from banks or financial institutions on the basis of security of current assets but not asking for submission of
- The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has not granted advances(except for the parties mentioned below) in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are:
 - repayable on demand or
 - without specifying any terms or period of repayment

FY 21-22

| Type of Borrower | Name | Amount of loan or advance in the nature of loan outstanding | Percentage to the loans and advances in the nature of loans |
|------------------|--------------|---|---|
| Director | Kamal Grover | 10.09 | 100.00% |

FY 20-21

| Type of Borrower | Name | Amount of loan or advance in the nature of loan outstanding | Percentage to the loans and advances in the nature of loans |
|------------------|------|---|---|
| - | - | - | - |

- Capital work in progress ageing schedule

FY 21-22

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Projects in progre | | 325.20 | 91.95 | 30.00 | 447.15 |

FY 20-21

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| Projects in progre | 325.20 | 91.95 | 30.00 | | 447.15 |



Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

- (vii) There is no intangible assets under development.
- (viii) Company do not hold any benami property under the Benami Transactions (prohibition) Act 1988
- (ix) Company has borrowings from banks or financial institutions on the basis of security of current assets but not asking for submission of book debt statements.
- (x) No transactions were made with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (xi) No charges or satisfaction is yet to be registered with registrar of companies.
* In year 2021, The Company has availed Vehicle Loan facility from ICICI Bank for ₹ 29.70 Lakhs against hypoecation for the same.
- (xii) Company has complied with the no. of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017
- (xiii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.
- (xiv) The Company has not advanced or loaned or Invested funds to any other person or entity, including foreign entity (Intermediary) with the understanding that the Intermediary shall
a. directly or Indirectly lend or invest In other persons or entities Identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiary) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary
- (xv) The Company has not received any fund from any person or entity, including foreign entity(Funding Party) with the
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiary
- (xvi) There is no income surrendered or disclosed as income during the current or previous year in the tax assessment under the Income Tax Act, 1961 that has not been recorded in the books of accounts.
- (xvii) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (xviii) The company has done assessment to identify Core Investment Company (CIC) {including CICs in the group} as per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (reserve Bank) Directions, 2016). The company is not CIC
- (xix) The Company has not received any whistle-blower complaints during the current or previous year

Annexure XXXIV: Details of Contingent Liabilities & Commitments as Restated

I. Contingent Liabilities

- (a) claims against the company not acknowledged as debt;
(b) guarantees excluding financial guarantees; and
(c) other money for which the company is contingently liable.

II. Commitments-

- (a) estimated amount of contracts remaining to be executed on capital account and not provided for
(b) uncalled liability on shares and other investments partly paid
(c) other commitments

| | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|-----|------------------------------|------------------------------|
| (a) | - | - |
| (b) | - | - |
| (c) | - | - |
| (a) | - | - |
| (b) | - | - |
| (c) | - | - |

Annexure XXXV: Statement on Employee Benefits as Restated

The Employees Gratuity are defined benefit plan. The Present value of obligation is determined based on the actuarial valuation using the Projected Unit Cost Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| I. Assumptions | 31st March 22 Rs. in Lacs | 31st March 21 Rs. in Lacs |
|-------------------------------------|------------------------------|------------------------------|
| Discount rate (%) | 7.26 | 6.79 |
| Expected rate of salary increase(%) | 4 | 4 |
| Attrition Rate(%) | | |
| -Up to 30 Years | 45 | 45 |
| -From 31 to 44 Years | 45 | 45 |
| -Above 44 Years | 45 | 45 |
| Mortality Table | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| Retirement Age (Years) | 58 Years | 58 Years |



Annexures to Restated Consolidated Financial Statements

(Rs. In Lacs)

| II. Change in present value of obligation | | 31st March 22 | 31st March 21 |
|--|--|---------------|---------------|
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Present value of obligation as at the beginning of the period | 1.21 | 0.80 |
| b) | Acquisition adjustment | - | - |
| c) | Interest cost | 0.08 | 0.05 |
| d) | Current service cost | 1.08 | 0.58 |
| e) | Past service cost | - | - |
| f) | Benefits paid | - | - |
| g) | Actuarial (gain)/loss on obligation | 0.95 | (0.22) |
| h) | Present value of obligation as at the end of the period | 3.33 | 1.21 |
| III. Changes in the fair value of plan assets | | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Fair value of plan assets at the beginning of the period | - | - |
| b) | Acquisition adjustment | - | - |
| c) | Expected return on plan assets | - | - |
| d) | Contributions | - | - |
| e) | LIC Charges | - | - |
| f) | Benefits paid | - | - |
| g) | Actuarial gain/(loss) on plan assets | - | - |
| h) | Fair value of plan assets at the end of the period | - | - |
| IV. Fair value of plan assets | | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Fair value of plan assets at the beginning of the period | - | - |
| b) | Acquisition adjustment | - | - |
| c) | Actual return on plan assets | - | - |
| d) | Contributions | - | - |
| e) | LIC Charges | - | - |
| f) | Benefits paid | - | - |
| g) | Fair value of plan assets at the end of the period | - | - |
| V. Actuarial gain / loss recognized | | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Actuarial gain/(loss) for the period - Obligation | (0.95) | 0.22 |
| b) | Actuarial (gain)/loss for the period - Plan Assets | - | - |
| c) | Total (gain)/loss for the period | 0.95 | (0.22) |
| d) | Actuarial (gain) / loss recognized in the period | 0.95 | (0.22) |
| e) | Unrecognized actuarial (gains) / losses at the end of the period | - | - |
| VI. The amounts to be recognized in balance sheet and related analysis | | 31st March 22 | 31st March 21 |
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Present value of obligation as at the end of the period | 3.33 | 1.21 |
| b) | Fair value of plan assets as at the end of the period | - | - |
| c) | Funded status / Difference | (3.33) | (1.21) |
| d) | Excess of actual over estimated | - | - |
| e) | Unrecognized actuarial (gains)/losses | - | - |
| f) | Net asset/(liability) recognized in balance sheet | (3.33) | (1.21) |



| VII. Expense recognized in the statement of P & L A/C | | 31st March 22 | 31st March 21 |
|---|---|---------------|---------------|
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Current service cost | 1.08 | 0.58 |
| b) | Past service cost | - | - |
| c) | Interest cost | 0.08 | 0.05 |
| d) | Expected return on plan assets | - | - |
| e) | Net actuarial (gain)/ loss recognized in the period | 0.95 | (0.22) |
| f) | Expenses recognized in the statement of profit & losses | 2.12 | 0.41 |

| VIII. Reconciliation statement of expense in the statement of P&L A/C | | 31st March 22 | 31st March 21 |
|---|---|---------------|---------------|
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Present value of obligation as at the end of period | 3.33 | 1.21 |
| b) | Present value of obligation as at the beginning of the period | 1.21 | 0.80 |
| c) | Benefits paid | - | - |
| d) | Actual return on plan assets | - | - |
| e) | Acquisition adjustment | - | - |
| f) | Expenses recognized in the statement of profit & losses | 2.12 | 0.41 |

| IX. Movements in the liability recognized in the Balance Sheet | | 31st March 22 | 31st March 21 |
|--|------------------------------|---------------|---------------|
| | | Rs. in Lacs | Rs. in Lacs |
| a) | Opening net liability | 1.21 | 0.80 |
| b) | Expenses as above | 2.12 | 0.41 |
| c) | Benefits paid | - | - |
| d) | Actual return on plan assets | - | - |
| e) | Acquisition adjustment | - | - |
| f) | Closing net Liability | 3.33 | 1.21 |

| X Experience Adjustments | | 31st March 22 | 31st March 21 |
|--------------------------|----------------------------------|---------------|---------------|
| | | Rs. in Lacs | Rs. in Lacs |
| | On Plan Liability Gains/(Losses) | (1.00) | (0.65) |

Annexure XXXVI: Restated Statement of Adjustments to Audited Financial Statement

| (i) Reconciliation of Restated Profit | | 31st March 22 | 31st March 21 |
|---------------------------------------|---|---------------|---------------|
| | | Rs. in Lacs | Rs. in Lacs |
| | Profit after Tax as per audited/provisional financials statements | 42.57 | 15.97 |
| | Employee Benefit Expenses- Gratuity | (2.12) | (0.41) |
| | Prior Period Expense adjustment | 4.01 | 1.24 |
| | Current Tax | (3.08) | - |
| | DTA/DTL | 0.81 | (1.49) |
| | Restated Profit after Tax | 42.19 | 15.31 |

Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:

- (i) **Gratuity Expense:** Company has booked gratuity expense for all years in FY 22-23.
- (ii) **Prior Period Expenses:** Prior Period Expenses of FY 2021-22 & FY 2020-21 has been debited to Profit & Loss A/c of
- (iii) **Current Tax:** Due to above restatement impacts and using correct income tax enacted rates, current tax expense has been
- (iv) **Deferred Tax:** Due to above restatement impacts and using correct income tax enacted rates, deferred tax expenses has been restated accordingly and presented.

| (ii) Reconciliation of Restated Shareholder's Funds | | 31st March 22 | 31st March 21 |
|---|--|---------------|----------------|
| | | Rs. in Lacs | Rs. in Lacs |
| | Shareholder's Funds after Tax as per audited/provisional financials statements | 93.30 | (48.27) |
| | Employee Benefit Expenses- Gratuity | (3.33) | (1.21) |
| | Current Tax | (3.08) | - |
| | DTA/DTL | 0.84 | 0.03 |
| | Prior Period Expense adjustment | - | (4.01) |
| | Restated Shareholder's funds | 87.73 | (53.46) |

Explanatory notes to the above restatements to Shareholder's funds made in the audited Standalone Financial Statements of the

- (i) **Gratuity Expense:** Company has booked gratuity expense for all years in FY 22-23.
- (ii) **Prior Period Expenses:** Prior Period Expenses of FY 2021-22 & FY 2020-21 has been debited to Profit & Loss A/c of
- (iii) **Current Tax:** Due to above restatement impacts and using correct income tax enacted rates, current tax expense has been
- (iv) **Deferred Tax:** Due to above restatement impacts and using correct income tax enacted rates, deferred tax expenses has



Restated Financial Statements of Qualitek Labs Ltd.
(Formerly known as "Qualitek Labs Private Limited")
CIN: U74999DL2018PLC334105

| Annexure XXXVII: Other Financial Information as Restated | (Rs. In Lacs) | |
|---|---------------|---------------|
| | 31st March 22 | 31st March 21 |
| | Rs. in Lacs | Rs. in Lacs |
| Net Worth(A) | 87.73 | (53.46) |
| Earnings before Interest, Tax, Depreciation and Amortisation(EBITDA) | 131.30 | 74.52 |
| Restated Profit after tax(B) | 42.19 | 15.31 |
| No. of equity shares outstanding as on the end of year/period(C) | 4,60,000 | 10,000 |
| Weighted average number of equity shares outstanding during the year/period (D)- Refer Note 1 | 2,03,562 | 10,000 |
| Weighted average number of diluted equity shares outstanding during the year/period (E)- Refer Note 1 | 2,03,562 | 10,000 |
| Current assets (F) | 668.56 | 253.98 |
| Current liabilities (G) | 1987.09 | 1460.03 |
| Basic earning per share (INR) (B/D)* | 20.73 | 153.10 |
| Diluted earning per share (INR) (B/E)* | 20.73 | 153.10 |
| Return on net worth (%) (R/A)* | 0.48 | (0.29) |
| Net asset value per share - (A/C) (Face value of Rs. 10 each) | 19.07 | (534.59) |
| Current ratio (F/G) | 0.34 | 0.17 |

Notes:

1 Ratios have been computed as per the following formulas

(i) Basic Earnings per share

$$\frac{\text{Net profit after tax, as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the year/period}}$$

(ii) Diluted Earnings per share

$$\frac{\text{Net profit after tax, as restated for calculating diluted EPS}}{\text{Weighted average number of equity shares outstanding at the end of the year/period}}$$

(iii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{No. of equity shares outstanding at the end of the year/period}}$$

(iv) Return on Net Worth(%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

2 Net worth has been calculated as sum of Equity Share Capital and Reserves and Surplus (comprising of Securities Premium and Surplus of Profit and Loss Account)

Note 1: While calculating the Number of equity share outstanding as on the end of year, weighted average number of equity shares outstanding during the year and Weighted average number of diluted equity shares outstanding during the year.

Annexure XXXVIII: Non Adjusted Items as Restated

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Consolidated Financial Statements of the Company have been pointed out during the restated period.

Annexure XXXIX: Material Regrouping as Restated¹

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.

Summary of Significant accounting policies and notes to accounts 0

The accompanying notes are an integral part of the financial statements.

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

Auditor's

J Madan & Associates For and on behalf of the Board of Directors of
Chartered Accountants Qualitek Labs Limited(Formerly known as "Qualitek Labs Private Limited")

Navveen Kumar Partner M. No. 536759 FRN No. 025913N Place: New Delhi Date: 21/08/2023

Antaryami Nayak Director DIN - 07232463 Place: New Delhi Date: 21/08/2023

Kamal Grover Director DIN. 07429267 Place: New Delhi Date: 21/08/2023

Navneet Gupta Director M.No.: A25655 Place: New Delhi Date: 21/08/2023

Ashima Bhatnagar Company Secretary M.No.: A25655 Place: New Delhi Date: 21/08/2023

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at www.qualiteklab.com

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below

| Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|----------------|
| Profit After Tax (₹ in lakhs) | 296.91 | 113.57 | 46.11 |
| Basic & Diluted Earnings per Share(Rs.) (Pre Bonus) | 7.45 | 55.79 | 461.10 |
| Basic & Diluted Earnings per Share(Rs.) (Post Bonus) | 7.45 | 7.97 | 65.87 |
| Return on Net Worth (%) | 30.10% | 59.90% | (200.83%) |
| NAV per Equity Shares (Pre-Bonus) | 24.74 | 93.15 | (229.60) |
| NAV per Equity Shares (Post Bonus) | 24.74 | 13.31 | (32.80) |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 551.30 | 236.18 | 105.31 |

Note : Restated Standalone Financial Statements is considered for the above information

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Standalone Financial Statements for the Financial Years ended 2023, 2022 and 2021 including the notes thereto and reports thereon, each included in this Draft Prospectus.

This Draft Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Prospectus. For further information, see “**Forward Looking Statements**” on page 20. Also read “**Risk Factors**” on page 30, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for the Financial Years 2023, 2022 and 2021 included herein is derived from the Restated Standalone Financial Statements, included in this Draft Prospectus. For further information, see “**Financial Statements as Restated**” on page 187.

Our Company’s Financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company” or “the Company”.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Revenue from Operations ⁽¹⁾ | 1913.66 | 1196.57 | 635.49 |
| EBITDA ⁽²⁾ | 551.30 | 236.18 | 105.31 |
| EBITDA Margin ⁽³⁾ (%) | 28.81 | 19.74% | 16.57% |
| PAT ⁽⁴⁾ | 296.91 | 113.57 | 46.11 |
| PAT Margin ⁽⁵⁾ | 15.52 | 9.49 | 7.26 |
| RoE(%) ⁽⁶⁾ | 50.49 | 181.61 | -105.39 |
| RoCE (%) ⁽⁷⁾ | 13.76 | 9.34 | 6.38 |

Notes:

⁽¹⁾ Revenue from operation means revenue from testing services.

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽³⁾ EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations.

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses.

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

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total borrowings ,current & non-current-.

Explanation for KPI metrics:

| KPI | Explanations |
|-----|--------------|
|-----|--------------|

| | |
|-------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the Overall profitability of the business |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| RoE(%) | RoE provides how efficiently our Company generates profits from shareholders' funds. |
| RoCE (%) | RoCE provides how efficiently our Company generates earnings from the capital employed in the business. |

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to ***“Annexure IV of Restated Standalone Financial Statements”*** beginning on page 187 of this Draft Prospectus.

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled ***“Risk Factors”*** beginning on page 30 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Any change in government policies resulting in increases in taxes payable by us;
3. Our ability to retain our key managements persons and other employees;
4. Changes in laws and regulations that apply to the industries in which we operate.
5. Our failure to keep pace with rapid changes in technology;
6. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
7. General economic, political and other risks that are out of our control;
8. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
9. Company's ability to successfully implement its growth strategy and expansion plans;
10. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
11. Inability to successfully obtain registrations in a timely manner or at all;
12. Occurrence of Environmental Problems & Uninsured Losses;
13. Conflicts of interest with affiliated companies, the promoter group and other related parties;
14. Any adverse outcome in the legal proceedings in which we are involved;
15. Concentration of ownership among our Promoter;

16. The performance of the financial markets in India and globally;
17. Global distress due to pandemic, war or by any other reason.

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Financial Statements as Restated for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in lakhs)

| Particulars | For the Year ended on | | | | | |
|---|-----------------------|-------------------|----------------|-------------------|----------------|-------------------|
| | March 31, 2023 | % of Total Income | March 31, 2022 | % of Total Income | March 31, 2021 | % of Total Income |
| INCOME | | | | | | |
| Revenue from operations | 1913.66 | 98.89 | 1196.57 | 99.57 | 635.49 | 99.69 |
| Other income | 21.47 | 1.11 | 5.16 | 30.22 | 1.95 | 0.31 |
| Total Income (I) | 1935.13 | 100.00 | 1201.73 | 100.00 | 637.44 | 100.00 |
| | | | | | | |
| EXPENSES | | | | | | |
| Direct Expenses | 424.73 | 21.95 | 189.43 | 15.76 | 150.81 | 23.66 |
| Employee Benefit Expense | 365.67 | 18.90 | 335.63 | 27.93 | 128.14 | 20.10 |
| Finance costs | 69.65 | 3.60 | 31.92 | 2.66 | 1.08 | 0.17 |
| Depreciation & Amortization | 84.44 | 4.36 | 49.84 | 4.15 | 34.79 | 5.46 |
| Other Expenses | 593.42 | 30.67 | 440.49 | 36.65 | 253.17 | 39.72 |
| Total expenses (II) | 1537.91 | 79.47 | 1047.30 | 87.15 | 567.99 | 89.11 |
| | | | | | | |
| Profit/ (Loss) before tax (III=I-II) | 397.22 | 20.53 | 154.43 | 12.85 | 69.45 | 10.89 |
| Tax expenses | | | | | | |
| 1. Current Tax | 79.20 | 4.09 | 3.08 | 0.26 | - | 0.00 |
| 2. Deferred Tax | 21.11 | 1.09 | 37.77 | 3.14 | 23.34 | 3.66 |
| Total Tax Expenses (IV) | 100.31 | 5.18 | 40.85 | 3.40 | 23.34 | 3.66 |
| | | | | | | |
| Profit/ (Loss) after tax (V=III-IV) | 296.91 | 15.34 | 113.57 | 9.45 | 46.11 | 7.23 |

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Revenue from operations:

Revenue from operations mainly consists of testing services and sales of goods

Other Income:

Other income primarily comprises of Interest Income, Interest on Income Tax Refund, Discount Received, Liabilities Written Back, Scrap Income.

Direct Expenses:

Direct Expenses consists of Testing Material Purchase, Testing Service Charges, Calibration Services, Consumable Expenses, Packaging Charges and Transportation Expense, Electrical Material, Lab Expenses.

Employee benefits expense:

Employee benefits expense primarily comprises of Salaries & wages, Staff Welfare Expenses, Contribution to Provident & other funds and Gratuity Expense.

Finance Costs:

Our finance cost includes Interest on Loans, Bank Charges, Interest on GST & TDS, Interest on MSME.

Depreciation and Amortization Expenses:

Depreciation includes depreciation on Computer, Office Equipment, Furniture & Fixtures, Plant and Machinery, Motor Vehicles etc.

Other Expenses:

Our other expenses include Audit Fees, Advertisement & Sales Promotion Expenses, Bad Debts, Electricity & Water Charges, Insurance Charges, Net Gain/Loss in foreign exchange, Office and Administrative Expenses, Postage and Courier Charges, Printing & Stationery Expenses, Professional Fees, Rent etc.

COMPARISON OF FINANCIAL YEAR 2023 WITH FINANCIAL YEAR 2022 (BASED ON RESTATED STANDALONE FINANCIAL STATEMENTS)

Total Income:

Total income for the financial year 2022-23 stood at ₹ 1935.13 Lakhs whereas in Financial Year 2021-22 the same stood at ₹ 1201.73 Lakhs representing an increase of 61.03 % primarily due to an increase revenue from operation.

Revenue from Operations:

Revenue from Operations for the financial year 2022-23 stood at ₹ 1913.66 Lakhs whereas in Financial Year 2021-22 the same stood at ₹ 1196.57 Lakhs representing an increase of 59.93% primarily due to increase in sale of services.

Other Income:

Other Income for financial year 2022-23 was ₹ 21.47 Lakhs as against ₹ 5.16 Lakhs in the Financial Year 2021-22 representing significant increase of 316.12 % which primarily due to liabilities written back, increase in interest income and interest on income tax refund.

Total Expenses:

Total Expenses for financial year 2022-23 has increased to ₹ 1537.91 Lakhs from ₹ 1047.30 Lakhs in the financial year 2021-22 representing an increase of 46.85%, the said increase is due to increase in business related expenses.

Direct Expenses:

Direct Expenses for the financial year 2022-23 have increased to ₹ 424.73 Lakhs from ₹ 189.43 Lakhs in the Financial Year 2021-22 representing an increase of 124.22%.

Employee benefits expense:

Employee benefits expense stood at ₹ 365.67 Lakhs during the financial year 2022-23 as compared to ₹ 335.63 Lakhs in the financial year 2021-22, representing an increase of 8.95% primarily due to increase in salaries, staff welfare expenses, contribution to provident funds and other Funds and gratuity expenses.

Finance costs:

Finance costs for financial Year 2022-23, was ₹ 69.65 Lakhs as against ₹ 31.92 Lakhs during the financial year 2021-22, representing an increase of 118.21%, which is due to increase in interest on loan, bank charges and interest on GST, TDS & MSME.

Depreciation and Amortization Expenses:

Depreciation and Amortization Expenses for financial year 2022-23 was ₹ 84.44 Lakhs as against ₹ 49.84 Lakhs during the financial year 2021-22, representing an increase of 69.43% primarily due to increase in gross block of fixed assets.

Other Expenses:

Other Expenses for financial Year 2022-23 was ₹ 593.42 Lakhs as against ₹ 440.49 Lakhs during the financial year 2021-22. The increase of 34.72% was primarily due to increase in rent, electricity & water charges, travelling & conveyance expenses, office & administrative expenses, postage and courier charges etc.

Restated Profit/ (Loss) before tax:

Restated Profit/ (Loss) before tax for financial year 2022-23 was ₹ 397.22 Lakhs as compared to ₹ 154.43 Lakhs in the financial year 2021-22, representing a significant increase of 157.22% primarily due to the reasons discussed above.

Restated Profit/ (Loss) after tax:

Restated Profit/ (Loss) after tax for financial year 2022-23 was ₹ 296.91 Lakhs in comparison to ₹ 113.57 Lakhs in the financial year 2021-22, representing an increase of 161.43.% primarily due to the

reasons discussed above.

COMPARISON OF FINANCIAL YEAR 2022 WITH FINANCIAL YEAR 2021 (BASED ON RESTATED STANDALONE FINANCIAL STATEMENTS)

Total Income:

Total income for the financial year 2021-22 stood at ₹ 1201.73 Lakhs whereas in financial year 2020-21 the same stood at ₹ 637.44 Lakhs representing an increase of 88.52% primarily due to an increase in revenue from operations.

Revenue from Operations:

Revenue from Operations for the financial year 2021-22 stood at ₹ 1196.57 Lakhs whereas in financial year 2020-21 the same stood at ₹ 635.49 Lakhs representing an increase of 88.29% primarily due to increase in the sale of services.

Other Income:

Other Income for financial year 2021-22 was ₹ 5.16 Lakhs as against ₹ 1.95 Lakhs in the Financial Year 2020-21 representing increase of 164.87% which primarily due to liabilities written back, increase in interest income and interest on income tax refund.

Total Expenses:

Total Expenses for financial year 2021-22 have increased to ₹ 1047.30 Lakhs from ₹ 567.99 Lakhs in the financial year 2020-21 representing an increase of 84.39 % the said increase is due to increase in increase in business related expenses.

Direct Expenses:

Direct Expenses for the financial year 2021-22 have increased to ₹ 189.43 Lakhs from ₹ 150.81 Lakhs in the Financial Year 2020-21 representing an increase of 25.61%

Employee benefits expense:

Employee benefits expense stood at ₹ 335.63 Lakhs during the financial year 2021-22 as compared to ₹ 128.14 Lakhs in the financial year 2020-21, representing an increase of 161.93 % primarily due increase in in salaries, staff welfare expenses, contribution to provident funds and other Funds and gratuity expenses.

Finance costs:

Finance costs for financial Year 2021-22, was ₹ 31.92 Lakhs as against ₹ 1.08 Lakhs during the financial year 2020-21, representing an increase of 2866.69%, which is primarily due to increase in interest on loan, bank charges and interest on GST & TDS.

Depreciation and Amortization Expenses:

Depreciation and Amortization Expenses for financial year 2021-22 was ₹ 49.84 Lakhs as against ₹ 34.79 Lakhs during the financial year 2020-21, representing an increase of 43.25% primarily due to increase in gross block of fixed assets.

Other Expenses:

Other Expenses for financial Year 2021-22 was ₹ 440.49 Lakhs as against ₹ 253.17 Lakhs during the financial year 2020-21. The increase of 73.99% was primarily due to increase in rent, electricity & water charges, travelling & conveyance expenses, office & administrative expenses, postage and courier charges etc.

Restated Profit/ (Loss) before tax:

Restated Profit/ (Loss) before tax for financial year 2021-22 was ₹ 154.43 Lakhs as compared to ₹ 69.45 Lakhs in the financial year 2020-21, representing a significant increase of 122.36% primarily due to the reasons discussed above.

Restated Profit/ (Loss) after tax:

Restated Profit/ (Loss) after tax for financial year 2021-22 was ₹ 113.57 Lakhs in comparison to ₹ 46.11 Lakhs in the financial year 2020-21, representing a significant increase of 146.31% primarily due to the reasons discussed above.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Prospectus, there are no unusual or infrequent events or transactions in our Company.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section **“Risk Factors”** beginning on page 30 of the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Other than as described in the sections **“Risk Factors”**, **“Our Business”** and **“Management’s**

Discussion and Analysis of Financial Condition and Results of Operations” on pages 30, 132 and 252 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

5. Total turnover of each major industry segment in which our Company operates

Our business activity primarily falls within a single business segment, i.e. engaged in the business of testing, inspection and certification as disclosed in *“Financial Statements as Restated”* on page 187, we do not follow any other segment reporting.

6. Status of any publicly announced New Products or Business Segment

Except as disclosed in the Chapter *“Our Business”* on page 132, our Company has not announced anynew product or service.

7. Seasonality of business

Our business is not subject to seasonality. For further information, see *“Industry Overview”* and *“Our Business”* on pages 123 and 132, respectively.

8. Dependence on single or few customers

We derive a significant portion of our revenues from our top ten customers. The loss of any one or more of our major customers would have a material effect on our business operations and profitability. Our top 10 customers contribute 38.22%, 43.21% and 54.39% of our revenues during the financialyear 2022-23, 2021-22 and 2020-21 respectively.

9. Competitive conditions

Competitive conditions are as described under the Chapters *“Industry Overview”* and *“Our Business”* on pages 123 and 132, respectively.

10. Details of material developments after the date of last balance sheet i.e. March 31, 2023.

After the date of last Balance sheet i.e. March 31, 2023, the following material events have occurredafter the last audited period:

1. Our company has approved the audited financial statements for the financial year ending March31, 2023 in the Board meeting dated August 18, 2023.
2. Our Company has approved the Financial Statements as Restated for the financial year ending March31, 2023, March 31, 2022 and March 31, 2021 in the Board meeting dated August 21, 2023.
3. Our Company has approved the Draft Prospectus vide resolution in the Board Meeting datedSeptember 02, 2023.

FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable law, the Board may from time to time at its discretion raise to borrow, either from Directors or elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by the resolution of the Board, or where a power to delegate the same is available by decision / resolution of such delegate, provided that the Board shall not without requisite sanction of the Company in Extraordinary General Meeting, borrow any sum of money which together with money borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate from the time being of the paid up capital of the Company and its free reserves.

Further, pursuant to special resolution passed in the Extra Ordinary General Meeting of our Company held on May 2, 2023, the Board has been authorized to borrow money in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the sums of Rs. 500 crores (Rupees Five Hundred Crores only).

As on March 31, 2023, our Company has total outstanding borrowings aggregating to Rs. 2344.67 Lakhs based on Restated Standalone Financial Statements. The details of the indebtedness of our Company as on March 31, 2023, are provided below:

(Rs. In lakhs)

| S. No. | Category of borrowing | Sanctioned amount | Outstanding Amount |
|-------------|---|-------------------|--------------------|
| | SECURED BORROWINGS | | |
| (A) | Fund based borrowings | | |
| (i) | Working capital | | |
| | COD | 400.00 | 336.58 |
| | WCDL (Sub-limit of COD) | (210.00) | - |
| | Total | 400.00 | 336.58 |
| (ii) | Term loan | | |
| | Capex TL – 1 | 569.80 | 541.64 |
| | Capex TL – 2 | 230.00 | 218.58 |
| | Capex TL – 3 | 400.20 | 389.83 |
| | TL | 30.00 | - |
| | Car Loan – ICICI Bank | 29.70 | 19.88 |
| | Total | 1259.70 | 1169.93 |
| | Sub – Total (A) | 1659.70 | 1506.51 |
| (B) | Non – Fund based Borrowings | | |
| | Bank Guarantee (Sub-limit of COD)- Kotak Bank* | (400.00) | - |
| | Sub – Total (B) | (400.00) | - |
| | Total secured borrowings [Total of (A)(i) and (A)(ii)] | 1659.70 | 1506.51 |

| | | | |
|------------|---|----------------|----------------|
| | | | |
| | UNSECURED BORROWINGS | | |
| (C) | From Directors | | |
| | Loan from directors | - | - |
| | Sub – Total (C) | - | - |
| (D) | Business Loans | | |
| | TIC Services Private Limited | 1500.00 | 818.16 |
| | ASC Consulting Private Limited | 200.00 | 20.00 |
| | Sub – Total (D) | 1700.00 | 838.16 |
| | Total unsecured borrowings | 1700.00 | 838.16 |
| | | | |
| | Total borrowings (Total of Secured + Unsecured borrowings) | 3359.70 | 2344.67 |

*Kotak Mahindra Bank Ltd (“**Kotak Bank**”) has sanctioned Bank Guarantee of Rs. 60.40 Lakhs. Further, the said bank guarantee expired on June 20, 2023. However, beneficiary’s right as well the Bank’s liability will be extinguished on or before completion of one year from the expiry date, unless a written claim or demand is made.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

- A. Interest rate:** In terms of facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities. In terms of the borrowings availed by us, the interest rate is typically dependent on the guidelines of RBI and lenders. The interest rates for the loans availed by our Company typically range from 8.30% per annum to 12% per annum. This includes term loans, vehicle loan, overdraft and working capital facility. Rate of interest on Kotak Bank loan is on the basis of applicable RPRR prevailing on the first disbursement under each facility (whether partial or full) plus spread shall be the rate of interest for that Facility until next reset date. Reset would be on Quarterly Basis
- B. Validity/ Tenor:** The working capital facilities are typically repayable on demand of the lender. The validity of our term loans typically ranges between 60 months to 84 months. The ICICI vehicle loan is valid for 60 months.
- C. Penal Interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, non-submission of supporting documents/certificates, breach of non-payment of instalments, breaching any provisions as set forth in the loan documentation entered into with the lenders or default in the performance of the obligations set forth in such loan documentation, etc. Further, the penal interest payable on the facilities availed by us is up to 3% per month, compounded monthly, on outstanding/unpaid amount.
- D. Pre-payment penalty:** The facilities availed by our company allow pre-payment. ICICI Bank (Car

loan) allow for lesser of the following: (a) 5% of penalty matrix of principal outstanding plus GST, or (b) the interest outstanding of the remaining tenure of the loan, as pre-payment charges. Kotak Bank charges for up to 3% of sanctioned amount as pre-payment penalty.

E. Security: In terms of some of our loan facilities, we are required to inter alia:

- **Primary security:**

- i. Creation of first and exclusive charge on all existing and future current assets of the Company.

- **Collateral Security:**

| Sr. No. | Property description | Remarks / Type of charge/ Type of property | Area | Market value |
|---------|--|--|--------------|--------------|
| 1. | Industrial property located at Industrial Plot No.-040, Block- C, Sector-57, Noida, Distt- Gautam Budhh Nagar, UP- 201301 owned by M/s SKM Realcon Pvt. Ltd. | ion /Equitable mortgage | 1800 sq. mt. | 1800 lakhs |

F. Other Terms & Conditions:

- Personal guarantee of the following:

- (i) Alok Kumar Agarwal
- (ii) Anju Agarwal
- (iii) Faizan Ahmed
- (iv) Kamal Grover
- (v) Antaryami Nayak

- Corporate guarantee of the following:

- (i) M/s SKM Realcon Pvt. Ltd.
- (ii) M/s ASC Consulting Pvt. Ltd.
- (iii) TIC Services Pvt. Ltd.

G. Restrictive Covenants: Unless otherwise approved by the Bank in the form of express prior written consent, the Company ("**Borrower**") shall:

- i. neither enter into any scheme of merger, amalgamation, compromise or reconstruction, dissolution nor permit any change in the capital structure, ownership, management or control of the Borrower;
- ii. Make any amendments to its constitutional documents;
- iii. neither create, assume or incur any further Indebtedness whether for borrowed money or otherwise;

- iv. not induct into its Board of Directors a person whose name appears in the willful defaulters list of BI or CIBIL or any other agency/ entity authorized in this regard;
- v. not to induct any person named as a willful defaulter or /partner/firm/other entity which is named as willful defaulter in the RBI willful defaulter list.
- vi. not transfer, or create or permit to create or exist any third-party interest or encumbrance over any of its assets or part thereof including the assets covered under the Security;
- vii. enter into, or be a party to, any transaction with any affiliate of the Borrower, except in the ordinary course of Borrower's business.
- viii. there shall be no change in the shareholding pattern (including by transfer of shares or issue of new shares);
- ix. Change in any manner the ownership of Borrower (whether directly or indirectly or legally or beneficially or management of the Borrower);
- x. change its name or trade name, or its accounting standards or its accounting year;
- xi. dispose of its assets or compromise with any of its creditors;
- xii. transfer funds to any group or associate entity or concerns
- xiii. Pay any commission, brokerage, or fees to its promoters / directors / guarantors / security providers;
- xiv. shall not declare or pay any dividend or authorize or make any distribution to its shareholders until the final settlement date hereunder.
- xv. Shall not create any charge, mortgage, lien or other encumbrance upon or over the assets under security or part thereof.
- xvi. shall not pay any dividend in event of occurrence of any Event of Default. Further, dividend shall not be paid (a) if debt-service coverage ratio (DSCR) for any year being lower than 1:00, (b) in excess of projections given to the bank (c), if debt service reserve account (DSRA) is not maintained at adequate level as stipulated (if applicable).

H. Events of default:

- i. Failure and/ or breach on Borrower's/ guarantors part to perform any of the obligations or terms or conditions applicable under transaction documents;
- ii. non-payment in full of any part of the outstanding balance when due or when demanded by Bank;
- iii. Any misrepresentations or misstatement by the Borrower;
- iv. Failure and/ or breach on Borrower's/ guarantor(s) part to disclose any information which in the bank's opinion, constitutes or could constitute as necessary and material.
- v. Disclosure of any incorrect or false information by the Borrower's/ guarantors.
- vi. if the Borrower or guarantor fails to pay any of its debts or defaults under any contract or agreement with any party.
- vii. If there is any deterioration or impairment of the secured assets underlying the security or any part thereof;
- viii. where a receiver is appointed or any attachment, distress, execution or other legal process is threatened, enforced or levied upon against the Borrower/its assets/ or any of the Security;
- ix. Borrower fails or intentionally omits to get the charge created by way of the Security registered;
- x. the event of death, winding up, failure in business, insolvency, bankruptcy, or initiation of any

- proceedings or change in the constitution, management or existing ownership or control of the Borrower;
- xi. If it is certified by an independent chartered accountant or valuer (appointed by the Bank in its sole discretion), that the liabilities of the Borrower exceed the Borrower's assets or that the Borrower is carrying on business at a loss;
 - xii. the occurrence of any event or condition which, in the bank's opinion, constitutes or could constitute a material adverse effect on the Borrower, security or its assets;
 - xiii. If Borrower or security provider/guarantor become subject to any debt restructuring process (whether voluntary or otherwise) or could be potentially declared as relief undertaking under any process of law or regulations.
 - xiv. the loss, termination, cancellation, revocation, forfeiture, suspension or impairment of or failure to renew any borrowers' licenses, certificates and / permits now held or hereafter acquired by the Borrower which are necessary for the continued operation of its business;
 - xv. Any legal or regulatory action, enquiry, proceeding or prosecution has been instituted against the Borrower or its affiliate or fines/penalties have been imposed by any authority on the Borrower or its affiliate.
 - xvi. Inability of the Borrower for the security provider and/or the guarantor) to repay debts to any person or declaration by any person of an event of default (howsoever described) under their respective arrangements with the Borrower for the security provider and/or the guarantor) or any event which under any law, statute, rule, ordinance etc. would have the effect of suspending or waiving all or any right of the creditors generally, against the Borrower (or the security provider and/or the guarantor) or in respect of any contract or agreement concerning the Borrower (or the security provider and/or the guarantor);
 - xvii. Any demand made against or filing of any application in respect of/ against the Borrower, any associate or affiliate of the Borrower and/or the guarantor, under the Insolvency and Bankruptcy Code, 2016;
 - xviii. The consequences of occurrence of any event of default will be prescribed in the transaction documents, including but not limited to:
 - a) Recall and/or declare the outstanding balance together with accrued interest to have become due and payable;
 - b) cancel/refuse the grant of the said facilities which may remain to be disbursed/utilised;
 - c) Enforce any/all security provided to the Borrower and thereby recover the amount outstanding;
 - d) to exercise, initiate and pursue any action, rights, notices, remedies, any proceedings and including for recovery of outstanding balance.

The details of events of default and restrictive covenants provided above are indicative and there may be additional terms that may amount to an event of default and/or constitute a restrictive covenant under the various borrowing arrangements entered into by us.

For further details please refer to chapter titled "**Financial Statements as Restated**" beginning on Page 187 of this Draft Prospectus.

SECTION VII- LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATIONS AND MATERIAL

DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation involving the Relevant Parties as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above in terms of Materiality Policy adopted by a resolution of our Board dated August 21, 2023, pending litigation would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is equal to or in excess of 10% of Company’s revenue, as per the Restated Standalone Financial Statements and where the amount is not quantifiable, such pending cases are material from the perspective of the Company’s business, operations, prospects or reputation.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Company from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties or the Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 10% of the total trade payables of the Company, as per the Restated Standalone Financial Statements.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

Litigation against our Company

A. Outstanding criminal proceedings

NIL

B. Actions initiated by regulatory or statutory authorities

NIL

C. Outstanding material civil litigation

NIL

Litigation by our Company

- A. **Outstanding criminal proceedings**
NIL
- B. **Outstanding material civil litigation**
NIL

LITIGATION INVOLVING OUR PROMOTERS

Litigation against our Promoters

- A. **Outstanding criminal proceedings**
NIL
- B. **Actions initiated by regulatory or statutory authorities**

NIL
- C. **Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action**
NIL
- D. **Outstanding material civil litigation**
NIL

Litigation by our Promoters

- A. **Outstanding criminal proceedings**
NIL
- B. **Outstanding material civil litigation**
 - 1. **Kansal Building Solutions Private Limited and Mr. Alok Kumar Agarwal (Liquidator) vs. Bank of Baroda [CP (IB) 816 (PB) of 2018]**

An application was filed by the liquidator of the corporate debtor, M/s Kansal Building Solutions Private Limited through Mr. Alok Kumar Agarwal ("**Liquidator**") u/s 230 of the Companies Act, 2013 ("**Act**") read with Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016 read with the Insolvency and Bankruptcy Code, 2016 ("**Code**") to sought approval for the scheme of compromise & arrangement ("**Scheme**") as submitted for the company. This scheme was submitted by the promoters of the company (in liquidation)

and was approved by 97.33% of the creditor in terms of Section 230(9) of the Act. Further, the

promoters had also filed an affidavit u/s 29A of the Code stating their eligibility to submit the Scheme during the liquidation process of the corporate debtor in terms of Section 240A of the Code being a MSME. The National Company Law Tribunal, Principal Bench, New Delhi (“Tribunal”) allowed the Scheme as propounded by the promoters in the liquidation process of M/s Kansal Building Solutions Private Ltd and stated that the same shall be binding on the corporate debtors, its creditors, members, and stakeholders. The Liquidator was further directed to file the application for closure of liquidation process as initiated u/s 33 of the Code before the Tribunal. Hence, the appeal was allowed.

2. Ram Ratan Jagati Sole proprietor of JJ Trading FZE and Alok Kumar Agarwal (Insolvency Resolution Professional) vs. Alstrong ACP Manufacturing India Private Limited [C.P. (IB) – 192/2021]

An application was filed by Ram Ratan Jagati (Operational Creditor) under Section 9 of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process against Alstrong ACP Manufacturing India Private Limited (Corporate Debtor). The application was admitted by the Hon’ble National Company Law Tribunal, New Delhi Bench, Court III and the tribunal appointed our Director, Alok Kumar Agarwal as the Interim Resolution Professional in the matter. The appointment of Alok Kumar Agarwal was thereafter confirmed to be Resolution Professional by the committee of creditors. Various applications have been filed by the Resolution Professional in the matter. An application has been recently filed by the Resolution Professional seeking initiation of liquidation process under section 33(1) of IBC, 2016. The matter is currently pending for adjudication.

LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)

Litigation against our Directors

A. Outstanding criminal proceedings

NIL

B. Actions initiated by regulatory or statutory authorities

NIL

C. Outstanding material civil litigation

NIL

Litigation by our Directors

A. Outstanding criminal proceedings

NIL

B. Outstanding material civil litigation

NIL

LITIGATION INVOLVING OUR SUBSIDIARIES

Litigation against our Subsidiaries

- A. ***Outstanding criminal proceedings***
NIL
- B. ***Actions initiated by regulatory or statutory authorities***
NIL
- C. ***Outstanding material civil litigation***
NIL

Litigation by our Subsidiaries


- A. ***Outstanding criminal proceedings***
NIL
- B. ***Outstanding material civil litigation***
NIL

OUTSTANDING LITIGATION INVOLVING OUR GROUP COMPANIES WHICH HAS A MATERIAL IMPACT ON OUR COMPANY

Litigation against our Group Companies

- A. ***Outstanding criminal proceedings***
NIL
- B. ***Actions initiated by regulatory or statutory authorities***
NIL
- C. ***Outstanding material civil litigation***

1. ITC Ltd vs. Interstellar Testing Centre Pvt Ltd [CS/159/2022]

A case has been filed by ITC Ltd against Interstellar Testing Centre Private Limited bearing case number CS/159/2022, before Hon'ble High Court of Calcutta, Original Civil Jurisdiction, Commercial Division, regarding the perpetual injunction restraining Interstellar Testing Centre Private Limited from violating the rights of ITC Ltd in the trade mark/corporate name/trade name/ house mark "ITC", by the use of the name "ITC Labs", the logo  and the domain name www.itclabs.com which is deceptively similar to the mark "ITC"/"itc". A sum of Rs. 50,00,00,000/- has been claimed as aggravated or punitive damages. The matter is currently pending for adjudication.

Litigation by our Group Companies

A. *Outstanding criminal proceedings*

1. **Interstellar Testing Centre thro Santosh Sakhahari Kulkarni vs. SPB Laboratories [Cri.M.A. 265/2022]**

A case has been filed by Interstellar Testing Centre thro Santosh Sakhahari Kulkarni against SPB Laboratories bearing case number Cri.M.A. 265/2022, under Section 138 and 141 of Negotiable Instruments Act, 1881 and Section 357 of the Code of Criminal Procedure, 1973 before Hon'ble Civil Court, Khed, in relation to dishonour of cheque of Rs. 13,34,824/- issued in favour of Interstellar Testing Centre. The matter is currently pending for adjudication.

B. *Outstanding material civil litigation*

1. **ASC Consulting Private Limited vs. Xentrix Studios Private Limited [CS (COMM)/403/2021]**

ASC Consulting Private Limited ("**Plaintiff**"), filed a civil suit (commercial) against Xentrix Studios Private Limited ("**Defendant**") before the Hon'ble District Judge Commercial Court, Saket Court (SE), New Delhi for the recovery of Rs. 1,53,21,915/- from the Defendant. The facts of the case are that the Defendant engaged the Plaintiff through an engagement letter for Services Exports from India Scheme ("**SEIS**") under Foreign Trade Policy 2015-20. Under this, the Plaintiff was responsible for obtaining scrip from the department including monetization. Accordingly, the Plaintiff was required to pay 87.50% of the scrip value obtained from the department and keep 12.50% towards its fee for services. The issue arose as the status of the duty credit scrip was pending with the department. It is pertinent to mention that the policy was announced but the implementation of the same was not done by the Government for a long time, but the Plaintiff continued to work. However, amidst the transactions, the Defendant submitted that they want to close/terminate the assignment. The Plaintiff asked the Defendant not to terminate the engagement as they had already done 90% of the work and further, informed the Defendant that after multiple visits to cochin SEZ ("**CSEZ**"), it was informed from the CSEZ department that few files were sanctioned by the CSEZ department, however, the matter was pending with Ministry of Finance. Regardless, SEIS benefits were issued by CSEZ in favor of the Defendant. Thereafter, the Plaintiff issued a legal notice to the Defendant and did not receive a response. Hence, the Plaintiff filed the present suit for recovery. The matter is currently pending.

2. **M/S Interstellar Testing Center Pvt Ltd thru authorised signatory vs. Union of India thru Secy. Ministry of Environment, Forest, and Climate Change New Delhi and Others [WRIC/909/2022]**

The writ petition has been filed by M/s Interstellar Testing Center Pvt Ltd ("**Petitioner**"), against Union of India and other respondents bearing case number WRIC/909/2022, before Hon'ble High Court of Judicature At Allahabad- Lucknow Bench, for quashing the impugned order passed by UP Pollution Control Board ("**UPPCB**") and Chief Environmental Officer dated 13.01.2022, in relation to cancellation of bid due to non-availability of sufficient number of bidders, and to award the work to the Petitioner for the tender issued by UPPCB vide tender reference No. UPPCB/CL/325/2021 on

31.08.2021. The UPPCB issued a tender dated 04.06.2021 for 'Operation and Maintenance of Manual Ambient Air Quality Monitoring Stations in National Capital Region of Uttar Pradesh' which was cancelled due to insufficient number of bids received by UPPCB, the tender was again issued on 14.07.2021 which was also cancelled due to insufficient bids. However, UPPCB again invited bids vide tender reference number UPPCB/325/2021 dated 30.08.2021 and the bids were opened, and the said tender was allotted to Petitioner. Furthermore, vide impugned order dated 13.01.2022 the Chief Environment Officer, UPPCB had communicated that the bid was cancelled after due approval from the competent authority of board due to non – availability of sufficient number of bids. Therefore, the Petitioner filed a writ petition on the grounds that the order dated 13.01.2022 was arbitrary and illegal, and that the order violated the Petitioner's fundamental rights under Article 14, 19 and 21 of the Constitution of India. The matter is pending for adjudication.

TAX PROCEEDINGS

Company

| Type of Proceedings | Number of Cases | Amount* (₹ in Lakh) |
|---------------------|-----------------|---------------------|
| Direct Tax | 2 | 2,590.00 |
| Indirect Tax | - | - |
| Total | 2 | 2,590.00 |

**To the extent quantifiable and ascertainable*

Directors

Direct Tax Proceedings

NIL

Indirect Tax Proceedings

NIL

Promoters

| Type of Proceedings | Number of Cases | Amount* (₹ in Lakh) |
|---------------------|-----------------|---------------------|
| Direct Tax | 6 | 2,11,323.00 |
| Indirect Tax | - | - |
| Total | 6 | 2,11,323.00 |

**To the extent quantifiable and ascertainable*

Subsidiaries

Direct Tax Proceedings

NIL

Indirect Tax Proceedings

NIL

Group Companies

| Type of Proceedings | Number of Cases | Amount* (₹ in Lakh) |
|---------------------|-----------------|---------------------|
| Direct Tax | 7 | 9,68,764.00 |
| Indirect Tax | 5 | 15,52,925.39 |
| Total | 12 | 25,21,689.39 |

**To the extent quantifiable and ascertainable*

OUTSTANDING DUES TO CREDITORS

In accordance with our Company's materiality policy, creditors to whom an amount due is equal to or exceeds 5% of the total trade payables as per the latest Restated Standalone Financial Statements of the Company were considered 'material' creditors. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2023 by our Company, are set out below:

| S. No | Particulars | Number of creditors | Balance as on March 31, 2023 (Rs. in Lakhs) |
|-------|--|---------------------|---|
| 1. | Total outstanding dues to MSME | 49 | 95.45 |
| 2. | Total outstanding dues to other creditors | 149 | 118.06 |
| 3. | Total outstanding dues to Material creditors | 03 | 153.79 |

MATERIAL DEVELOPMENTS

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page no. 252 of the Draft Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 (Twelve) months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further major approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority, or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. The Company has no subsidiary.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, registrations, consents, permissions, and approvals obtained by the Company under various Central and State Laws from the Government and various other Government agencies required for carrying out its present business:

I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Fresh Issue:

- (a). The Board of Directors has, pursuant to resolution passed at its meeting held on April 29, 2023, authorized the Issue, subject to the approval by the Equity Shareholders of our Company under Section 23 and all other applicable provisions, if any, of the Companies Act. Subsequently, the Board of Directors approved this Draft Prospectus at their meeting held on September 02, 2023.
- (b). The Equity Shareholders of our Company have authorized the Issue, pursuant to a special resolution passed at the extra ordinary general meeting of our Company held on May 02, 2023, under Section 23 and all other applicable provisions, if any, of the Companies Act.
- (c). Our Company has obtained approval from SME Platform of BSE by way of a letter dated [●] to use the name of BSE in this Draft Prospectus for listing of Equity Shares on the SME Exchange of BSE.
- (d). NSDL/CDSL: ISIN No.: INEQ1R01012

Our Company has entered into an agreement dated June 02, 2023 with the Central Depository Services (India) Limited (**CDSL**) and the Registrar and Transfer Agent which in this case is Skyline Financial Services Pvt Ltd, for the dematerialization of its shares. Further, our Company has entered into an agreement dated June 02, 2023 with the National Securities Depository Limited ("**NSDL**") and the Registrar and Transfer Agent which in this case is Skyline Financial Services Pvt Ltd for the

dematerialization of its shares.

II. APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS*

A. Incorporation Related Approvals

| S. No. | Nature of Registration/ License | Registration/ License No. | Applicable Laws | Issuing Authority | Date of Issue | Date of Expiry |
|--------|---|---------------------------|---------------------|-------------------------------|----------------|----------------------|
| 1. | Certificate of Incorporation as "Qualitek Labs Private Limited" | U74999DL2018PTC 334105 | Companies Act, 2013 | Registrar of Companies, Delhi | May 17, 2018 | April 26, 2023 |
| 2. | Certificate of Incorporation as As "Qualitek Labs Limited" | U74999DL2018PLC 334105 | Companies Act, 2013 | Registrar of Companies, Delhi | April 26, 2023 | Valid till cancelled |

B. Taxation Related Approvals

| S. No | Nature of Registration/ License | Registration/ License No. | Applicable Laws | Issuing Authority | Date of Expiry |
|-------|--|---------------------------|--|----------------------------------|----------------------|
| 1. | Certificate of Registration of Goods and Services Tax – Pune I lab | 27AAACQ540 0B1Z2 | Central Goods and Services Tax Act, 2017; and The Maharashtra Goods and Services Tax Act, 2017 | Government of India | NA |
| 2. | Certificate of Registration of Goods and Services Tax – Bhubaneshwar, Odisha lab | 21AAACQ540 0B1ZE | Central Goods and Services Tax Act, 2017; and The Odisha Goods and Services Tax Act, 2017 | Government of India | NA |
| 3. | Certificate of Registration of Goods and Services tax - C-40, Sector 57, Noida, Distt. Gautam Budh Nagar (U.P) lab | 09AAACQ540 0B1Z0 | Central Goods and Services Tax Act, 2017; and Uttar Pradesh Goods and Services Tax Act, 2017 | Government of India | NA |
| 4. | Certificate of Enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments | 99493194204 P | The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Maharashtra State Tax Department | Valid till cancelled |

| | | | | | |
|----|---|---------------|--|---|----------------------|
| | Act, 1975 | | | | |
| 5. | Registration Certificate under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | 27751601248 P | The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Maharashtra State Tax Department | Valid till cancelled |
| 6. | Registration Certificate under Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000 | 21602608823 | The Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000 | Commercial Tax Department, Government of Odisha | Valid till cancelled |
| 7. | Certificate of Enrolment under Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000 | 21312704479 | The Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000 | Commercial Tax Department, Government of Odisha | Valid till cancelled |
| 8. | Permanent Account Number (PAN) | AAACQ5400B | Income Tax Act, 1961 | Income Tax Department | Valid till cancelled |
| 9. | Tax Deduction Account Number (TAN) | DELQ01063G | Income Tax Act, 1961 | Income Tax Department | Valid till cancelled |

C. Labour Law Related & Other Approvals

| S. No | Nature of Registration/ License | Registration/ License No. | Applicable Laws | Issuing Authority | Date of Expiry |
|-------------------------------------|--|---------------------------|--|---|----------------------|
| Labour Law Related Approvals | | | | | |
| a) | Registration under Employees State Insurance Corporation | 44330848720011 099 | The Employees' State Insurance Act, 1948 | Regional Office, Employees' State Insurance Corporation, Bhubaneshwar | Valid till cancelled |
| | | 33000848720001 099 | | Sub-Regional Office, Employees' State Insurance Corporation, Pune | Valid till cancelled |

| | | | | | |
|--|---|------------------------------------|---|--|----------------------|
| b) | Registration under Employee Provident Fund | 10000188911PUN | Employee Provident Fund & Miscellaneous Provisions Act, 1952 | Employees Provident Fund Organisation | Valid till cancelled |
| c) | Registration as establishment with respect to its Registered Office | 2023107753 | Delhi Shops and Establishment Act, 1954 | Department of Labour, Government of National Capital Territory of Delhi | July 11, 2044 |
| Environmental Law Related Approvals | | | | | |
| d) | Consent to Establish (Bhubaneswar lab) | Consent order No. 2886/RO-NOC-2365 | Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 | State Pollution Control Board, Odisha | September 22, 2025 |
| Other Approvals | | | | | |
| e) | Udyam Registration Certificate | UDYAM-DL-08-0055713 | Micro, Small and Medium Enterprises Development Act, 2006 | Ministry of Micro, Small and Medium Enterprises | Valid till cancelled |
| f) | Certificate of Importer-Exporter Code (IEC) | AAACQ5400B | Foreign Trade (Development and Regulation) Act, 1992 | Ministry of Commerce and Industry, Office of Zonal Director General of Foreign Trade | Valid till cancelled |
| g) | Provisional Certificate of Trade License for Bhubaneswar lab | TL200805006 | Orissa Municipal Corporation Act, 2003 | Bhubaneswar Municipal Corporation | March 31, 2024 |


D. Certifications and Memberships

| S. No. | Nature of Certification/Issuing Authority | Registration/ License No. | Issuing Authority | Date of Expiry |
|-----------------------|---|---------------------------|--|-----------------|
| Certifications | | | | |
| 1. | ISO 9001:2015 for conducting water, environmental monitoring, | IN18818A | Integral Certification (P) Ltd. (Accredited by EGAC, A Member of International | August 21, 2023 |

| | | | | |
|----|--|------------|---|-----------------|
| | mines & mineral, solid fuel, oil & gas, food & agriculture and pharmaceutical - sampling, testing & inspection in compliance with national standards, international standards & validated in-house standard test methods including physical-chemical testing, heavy metals testing, pesticides & antibiotics testing, microbiological testing, stability study and coal, coke, ores & minerals inspection for its Bhubaneswar lab | | Accreditation Forum) | |
| 2. | ISO 45001:2018 for conducting water, environmental monitoring, mines & mineral, solid fuel, oil & gas, food & agriculture and pharmaceutical - sampling, testing & inspection in compliance with national standards, international standards & validated in-house standard test methods including physical-chemical testing, heavy metals testing, pesticides & antibiotics testing, microbiological testing, stability study and coal, coke, ores & minerals inspection for its Bhubaneswar lab | IN18818C-1 | Integral Certification (P) Ltd. (Accredited by EGAC, A Member of International Accreditation Forum) | August 21, 2023 |
| 3. | ISO 14001:2015 for conducting water, environmental monitoring, mines & mineral, solid fuel, oil & gas, food & agriculture and pharmaceutical - sampling, testing & inspection in compliance with national standards, international standards & validated in-house standard test | IN18818B | Integral Certification (P) Ltd. (Accredited by EGAC, A Member of International Accreditation Forum) | August 21, 2023 |

| | | | | |
|-------------------|--|---------------|--|------------------|
| | methods including physical-chemical testing, heavy metals testing, pesticides & antibiotics testing, microbiological testing, stability study and coal, coke, ores & minerals inspection for its Bhubaneswar lab | | | |
| 4. | Certificate of Accreditation in accordance with standard ISO/IEC 17025:2017 for Pune I lab | TC-8323 | National Accrediation Board for Testing and Calibration Laboratories | January 31, 2024 |
| 5. | Certificate of Accreditation in accordance with standard ISO/IEC 17025:2017 for Bhubaneswar lab | TC-9299 | National Accrediation Board for Testing and Calibration Laboratories | March 03, 2025 |
| Membership | | | | |
| 6. | Associate member of Utkal Pharmaceutical Manufacturers' Association | Not available | Utkal Pharmaceutical Manufacturers' Association | Not available |

E. Intellectual Property Related Approvals

| S.No | Trademark | Registration/License No./Date of Agreement | Status | Applicable Laws | Issuing Authority |
|------|---|--|----------|----------------------|-------------------------|
| 1. |  Class 42 | 5608751 | Objected | Trademarks Act, 1999 | Registrar of Trademarks |

Domain Name

Our Company has domain name www.qualiteklab.com registered under its name.

*Note: *Many of the approvals/Licenses/Registrations are in name of Qualitek Labs Private Limited and the Company is taking necessary steps to get the same in the name of Qualitek Labs Limited.*

III. Material Licenses/approvals for which our Company has applied / Statutory Approvals / Licenses required

| S. No. | Nature of Registration/Approval | Date of Application/Application number |
|--------|---------------------------------|--|
| | | |

| | | | |
|----|----------------------------|--|-----------------|
| 1. | Environmental laws related | Renewal of Consent to operate for its Bhubaneswar lab | March 25, 2023 |
| 2. | Tax laws related | Application for correction of Company's name in Registration Certificate under Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000 | August 07, 2023 |
| 3. | Labour laws related | Registration under Maharashtra Shops and Establishments Act, 1948 for its Pune I and Pune II lab. | 103378322303 |
| | | Registration under The Odisha Shops & Commercial Establishment Rules, 1958 for its Bhubaneswar lab | March 31, 2023 |

IV. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:

| S. No. | Nature of Registration/Approval | |
|--------|---------------------------------|---|
| 1. | Environmental law related | (a) The Company is yet to apply for Consent to operate for Pune I and Pune II labs (b) Consent under Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016 and Bio-Medical Waste Management Rules, 2016 |
| 2. | Other approvals | (a) Fire NOC for its registered office address (b) Approval for carrying out tests on drugs/cosmetics for its Bhubaneswar lab under Rule 150-B of the Drugs Rules, 1945, and Rule 55 of the Cosmetics Rules, 2020 (c) Permission for installation of DG set from Electrical Inspector for its Bhubaneswar lab |

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Board of Director(s), pursuant to a resolution passed at their meeting held on April 29, 2023, authorized the Issue, subject to the approval of the Shareholders of our Company under 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 the Companies Act, 2013 at an Extra Ordinary General Meeting held on May 02, 2023, authorized the Issue.

IN-PRINCIPLE LISTING APPROVALS

Our Company has obtained in-principle approval from the SME Platform of BSE (“**BSE SME**”) for using its name in the Draft Prospectus pursuant to an approval letter dated [●]. For the purpose of this Issue, BSE Ltd is the Designated Stock Exchange.

PROHIBITION BY SEBI, THE RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, the Promoter Group and the persons in control of Promoters or our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERS) RULES, 2018

Our Company, our 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 the Draft Prospectus.

ASSOCIATION WITH SECURITIES MARKET

We confirm that none of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors except as stated under the chapters ***titled “Risk factors”, “Our Promoters and Promoter Group”, “Group Companies /Entities” and “Outstanding Litigations and Material Developments”*** beginning on page nos. 30, 174, 181 and 265 respectively, of this Draft Prospectus.

ELIGIBILITY FOR THIS ISSUE

Our Company is in compliance with the following conditions specified in Regulation 228 of the SEBI(ICDR) Regulations:

- a) Neither our Company nor any of its Promoters, Promoter Group or our Director(s), if any are debarred from accessing the capital markets by SEBI;

- b) Neither our Promoter(s) nor any of our Director(s) is a promoter or a director of any other company which is debarred from accessing the capital market by the SEBI,
- c) Neither our Company nor any of our Promoter(s) or Director(s) is wilful defaulter or fraudulent borrower; and
- d) Neither our Promoters nor any of our Director(s) is a fugitive economic offender.

Our Company is an "**Unlisted Issuer**" in terms of the SEBI (ICDR) Regulations; and this Issue is an "**Initial Public Offer**" in terms of the SEBI (ICDR) Regulations. Neither our Company nor any of its Promoters, Promoter Group or our Director(s), if any are debarred from accessing the capital markets by SEBI.

Our Company is eligible for the Issue in accordance with **Regulation 229(1)** and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is less than Ten Crores Rupees and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**"), in this case being BSE SME.

Our Company is in compliance with the following conditions specified in Regulation 230 of SEBI (ICDR) Regulations:

- (a). The Draft Prospectus has been filed with BSE SME and our Company has made an application to BSE for listing of its Equity Shares on BSE SME. BSE Ltd is the Designated Stock Exchange;
- (b). Our Company has entered into an agreement dated June 02, 2023 with NSDL and CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- (c). The Equity Shares are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Draft Prospectus.
- (d). All Equity Shares held by our Promoters are in dematerialized form.
- (e). The entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance excluding the amounts to be raised through the proposed Issue. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.
- (f). The amount dedicated for general corporate purposes, as mentioned in "**Objects of the Issue**" in this Draft Prospectus on page 99, does not exceed twenty-five per cent (25%) of the amount being raised by the Issuer.

We confirm that:

- (a). In accordance with Regulation 246 of the SEBI (ICDR) Regulations, SEBI has not issued any

observations on our Draft Prospectus. The Prospectus shall be filed with the Registrar of Companies, Delhi. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate as per Form A of Schedule V to SEBI (ICDR) Regulations including additional confirmations as required by SEBI at the time of submission of the Prospectus with SEBI in Form G of Schedule V to SEBI (ICDR) Regulations.

In accordance with sub-regulation (5) of Regulation 246 of SEBI (ICDR) Regulations, a softcopy of the Draft Prospectus shall be submitted to SEBI.

- (b). The face value of Equity Shares of Our Company is Rs. 10/- (**Rupees ten only**) for each Equity Share. As detailed in the chapter "**Capital Structure**" on page 84 of this Draft Prospectus.
- (c). Price of the Equity Shares is not less than the face value of the Equity Shares. For further details pertaining to pricing of Equity Shares please refer to "**Capital Structure**" on page 84 of this Draft Prospectus.
- (d). In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue has been hundred percent (100%) underwritten and that the Lead Manager to the Issue has underwritten more than fifteen per cent (15%) of the total Issue size. For further details pertaining to said underwriting please refer to "**General Information**" on page 72 of this Draft Prospectus.
- (e). In accordance with Regulation 261 of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three (3) years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see the chapter titled "**General Information**" beginning on page 72 of this Draft Prospectus.
- (f). In accordance with Regulation 268(1) of the SEBI ICDR Regulations, our Company shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If the Equity Shares are not allotted and/or the application monies are not refunded or unblocked within such time as may be specified by SEBI, our Company shall pay interest at the rate of fifteen (15%) per annum and within 4 (four) days.
- (g). The post-issue paid up capital of our Company will be Rs. 737.19 Lakhs. For further information refer to the chapter "**Capital Structure**" beginning on page no. 84 of this Draft Prospectus.
- (h). The Company has a track record of at least 3 years as on the date of filing Draft Prospectus.
- (i). As on March 31, 2023, the Company has net tangible assets of ₹ 986.52 Lakhs.
- (j). The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years out of preceding three financial years and its net-worth as on March 31, 2023, March 31, 2022 and March 31, 2021 is positive.

Our Company satisfies the criteria of track record which given hereunder based on Restated Standalone Financial Statements:

(Rs. In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|---------------|----------------|----------------|----------------|
| Cash Accruals | 481.66 | 204.27 | 104.24 |
| EBITDA | 551.3 | 236.18 | 105.31 |
| Networth | 986.52 | 189.61 | (22.96) |

- (k). Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- (l). There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- (m). We confirm that no material regulatory or disciplinary action by a stock exchange or regulatory authority has been taken in the past three years against our Company.
- (n). We have a website: www.qualiteklab.com
- (o). We confirm that nothing in this Draft Prospectus is contrary to the provisions of Companies Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder.
- (p). We confirm that Lead Manager i.e., **Oneview Corporate Advisors Private Limited** is not an associate as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 of our Company.
- (q). There has been no change in the promoters of the Company in the preceding one year from date of filing application to BSE SME.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange/s.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER

ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ICDR) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER, ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATIONS, 2018.

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

Note:

All legal requirements pertaining to the Issue are complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi, in terms of Section 26 and Section 32 of the Companies Act 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

DISCLAIMER FROM OUR COMPANY, OUR DIRECTOR(S) AND THE LEAD MANAGER

Our Company, its Director(s) and the Lead Manager accepts no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, including our Company's website www.qualiteklab.com, would be doing so at their own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the Lead Manager and our Company dated May 02, 2023 and the Underwriting Agreement dated [•] entered into between the Underwriter and our Company and the Market Making Agreement dated [•] entered into among the Lead Manager, the Market Maker, and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public 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 centers or elsewhere.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services

for our Company and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or 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, 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 Underwriter 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 Equity Shares of our Company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian) HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, AIF, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of 2,500 Lakhs, pension fund with minimum corpus of 2,500 lakhs, NIF set up by resolution no. F. No. 2/3/2005-DDII dated 23rd November 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Draft 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Delhi, India only.

No action has been or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Prospectus nor any sale hereunder shall, under any circumstances, create any implication that

there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.

DISCLAIMER OF BSE SME

As required, a copy of this Draft Prospectus shall be submitted to BSE SME. BSE SME has given *vide* its letter dated [●] permission to the Company to use the exchange's name in this Draft Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. The BSE SME has scrutinized Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by BSE SME should not in any way be deemed or construed that the Draft Prospectus has been cleared or approved by BSE SME; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on BSE SME; nor does it take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which maybe suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended ("**Securities Act**") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "**U.S. persons**" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be issued and sold outside the United States in compliance with Regulations of the Securities Act and

the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, to any 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.

LISTING

An application shall be made to BSE SME for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its BSE SME after the allotment in the Issue. BSE Ltd 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 is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within four (4) days from the closure of the Issue or such lessertime as may be specified 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 (15%) 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 BSE SME are taken within six (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 Draft Prospectus for listing of Equity Shares on SME Platform of BSE India.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

Shall be liable to action under Section 447 of the Companies Act, 2013

CONSENTS

Consents in writing of the Director(s), the Promoter, Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory Auditor, the Banker to the Company, the Lead Manager, Registrar to the Issue, Banker to the Issue, Sponsor Bank, Refund Banker, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus/ Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the

Prospectus/ Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, J Madan & Associates Chartered Accountants, Statutory Auditor of the Company has 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 Financial Statements as Restated as included in this Draft Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

EXPERT OPINION

Except for the certificate of J Madan & Associates, Mr. Naveen Kumar (Reg No. 025913N) on August 17, 2023 and report of the Statutory Auditor on the statement of special tax benefits and report on Financial Statements as Restated for the year ended March 31, 2023, 2022, and 2021 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS

We have not made any previous rights and/or public issues during the last five (5) years and are an “**Unlisted Issuer**” in terms of the SEBI (ICDR) Regulations and this Issue is an “**Initial Public Offering**” in terms of the SEBI (ICDR) Regulations.

COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

DETAILS OF PUBLIC/ RIGHTS ISSUES BY LISTED GROUP COMPANIES, SUBSIDIARIES AND ASSOCIATE IN THE LAST THREE YEARS

We do not have any listed Group Company or Subsidiary or Associate as on date of this Draft Prospectus. Our Company has not undertaken any capital issue or any public nor rights issue in the last three years nor listed or have made any application for listing on any stock exchange in India or overseas preceding date of filing this Draft Prospectus.

PERFORMANCE VIS-À-VIS OBJECTS

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further, we do not have any Subsidiary. None of our Promoter Companies are listed on any stock exchange, so, data regarding promise versus performance is not applicable.

PRICE INFORMATION OF PAST ISSUES HANDLED BY THE LEAD MANAGER

Oneview Corporate Advisors Private Limited, our Lead Manager, has been issued a certificate of registration dated February 29, 2012 by SEBI as Merchant Banker Category – 1 with registration no. INM000011930. Given below is the statement on price information of past issues handled by Oneview Corporate Advisors Private Limited: -

TABLE 1: DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY ONEVIEW CORPORATE ADVISORS PRIVATE LIMITED

| S. No. | Issue Name | Issue Size (Amount in Lacs) | Issue Price (Rs.) | Listing Date | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing |
|--------|--------------------------------|-----------------------------|-------------------|-------------------|-------------------------------|--|--|---|
| 1 | Eastern Logica Infoway Limited | 1694.25 | 225 | January, 17, 2023 | 270 | 0.44% [1.02%] | 11.11% [-1.23%] | 22.22% [9.78%] |

Sources: All the shares price data is from: www.bseindia.com

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| Financial Year | Total no. of IPO | Total amount of funds raised (Rs. In lakhs) | No. of IPOs trading at discount- 30 th calendar days from listing | | | No. of IPOs trading at premium- 30 th calendar days from listing | | | No. of IPOs trading at discount- 180 th calendar days from listing | | | No. of IPOs trading at premium- 180 th calendar days from listing | | |
|---|------------------|---|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| April 2023 to Date of filing (17.08.23) | NIL | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2022-23 | 1 | 1694.25 | - | - | - | - | - | 1 | - | - | - | - | - | 1 |
| 2023-24 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Note:

- 1) *Benchmark Index considered as Sensex 30 Index and Nifty 50 Index.*
- 2) *Prices on NSE/BSE are considered for all of the above calculations.*
- 3) *In case 30th/90th/180th day is a holiday, closing price on NSE/BSE of the previous trading day has been considered.*
- 4) *In case 30th/90th/180th day, scrips are not traded then closing price on NSE/BSE of the previous trading day has been considered.*
- 5) *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue shall be considered for disclosing the price information, as applicable.*

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “**Unlisted Issuer**” in terms of the SEBI (ICDR) Regulations, and this Issue is an “**Initial Public Offering**” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Skyline Financial 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 Applicants, UPI ID (if applicable), 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, namely, Skyline Financial Services Private Limited, 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-coordinating 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 Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company will constitute Stakeholders Relationship Committee in the meeting of our Board of Director(s) before listing of Equity Shares on Stock Exchange. For further details on the Committees, please refer to the section titled “**Our Management**” beginning on page 156 of this Draft Prospectus.

Our Company has appointed Ashima Bhatnagar as the Compliance Officer to redress the complaints, if any, of the investors participating in the Issue. Contact details for our Compliance Officer are as follows:

Name: Ashima Bhatnagar

Address: C-40, near Nexa showroom, Block C, Sector 57,
Noida, Uttar Pradesh 201301

Tel: 0120 4336939

Email: company.secretary@qualiteklab.com

Website: www.qualiteklab.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post-

Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. Pursuant to the press release no. PR. No. 85/2011 dated 8th June 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three (3) years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS THE COMPANY

As on the date of filing this Draft Prospectus, our Company has Group Companies but does not have any Subsidiary companies listed on any stock exchange, so disclosure regarding mechanism for disposal of redressal of investor grievances for our subsidiary companies or any group companies are not applicable.

EXEMPTION GRANTED BY SEBI FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS

The Company has not sought for any exemptions from complying with any provisions of securities laws granted by SEBI

SECTION VIII- ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, Application Form, the Revision Form, the CAN/the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, 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, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchange, the RoC and any other authorities while granting their approval for the Issue.

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, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investors may visit the official website of the concerned Stock Exchange for any information on operation of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

AUTHORITY FOR THE ISSUE

The Issue of Equity Shares has been authorized by the Board of the Directors of our Company at their meeting held on April 29, 2023 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held on May 02, 2023 in accordance with provisions of the Companies Act, 2013.

RANKING OF EQUITY SHARES

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013, our Memorandum and Articles of Association, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 2013 and the Articles. For further details, please refer to the section titled “**Main Provisions of Articles of Association**” beginning on page 347 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, the Memorandum and Articles of Association and recommended by the Board of Directors at their discretion and approved by the Shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Issued Shares), will be payable to the Applicants who have been allotted Issued Shares, for the entire year, in accordance with applicable law.

For further details, please refer to the chapter titled “**Dividend Policy**” beginning on page 186 of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. 100/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled ‘**Basis for Issue Price**’ beginning on page no. 113 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions the Articles of Association relating to voting rights,

dividend, forfeiture and lien and / or consolidation / splitting / transmission, please refer to the section titled “**Main Provisions of Articles of Association**” beginning on page 347.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialized form. As per the SEBI (ICDR) Regulations, 2018 the trading of the Equity Shares shall only be done in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated June 02, 2023 amongst NSDL, our Company and the Registrar to the Issue; and
- Tripartite Agreement dated June 02, 2023 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialized form, the tradable lot is 1200 Equity Shares. Allotment in this Issue will be only in electronic form in multiples of 1200 Equity Share subject to a minimum Allotment of 1200 Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 Shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 Working Days of closure of Issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Delhi, India.

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.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

NOMINATION FACILITY TO INVESTORS

In accordance with Section 72 of the Companies Act, 2013 the Sole Applicant, or the First Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of Sole Applicant or in case of joint Applicants, 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 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 / transfer / alienation 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 our Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Applicants would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading

approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

If our Company in consultation with the Lead Manager withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchange. 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.

ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

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

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of Applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of Applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than retail individual Applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of Applications received from only Retail Individual Applicants, which may be extended up to such time as deemed fit by Designated Stock Exchange after taking into account the total number of Applications received up to the closure of timings and reported by LM to Designated Stock Exchange within half an hour of such closure.

It is clarified that Applications not uploaded on the electronic system, would be rejected. 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 details as per the file received from the Designated Stock Exchange may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Application on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public Issues, some Applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for Allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

MINIMUM SUBSCRIPTION AND UNDERWRITING

This Issue is not restricted to any minimum subscription level and the Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

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 the Prospectus and shall not be restricted to the minimum subscription level. For details of underwriting arrangement, kindly refer the chapter titled “**General Information**” on page 72.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

MIGRATION TO MAIN BOARD

Our Company may migrate to the Main Board of Stock exchange from SME Exchange on a later date subject to the following:

If the Paid-up Capital of our Company is likely to increase above ₹ 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the Shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by Shareholders other than

promoter Shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to Stock exchange for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid-up Capital of our company is more than ₹ 1,000 lakhs but below ₹ 2,500 lakhs, our Company may still apply for migration to the Main Board of the Stock Exchange and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the Shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by Shareholders other than promoter Shareholders against the proposal.

MARKET MAKING

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE for which company will make application for getting in-principal approval with the Exchange. In terms of Regulation 261 of the SEBI ICDR Regulations, Lead Manager to the Issue shall ensure that compulsory market making through the registered Market Makers on the SME Platform for a minimum period of three years from the date of listing of the specified securities or from the date of Migration from the Main Board. For further details of the market making arrangement please refer to chapter titled “**General Information**” beginning on page 72.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the Equity Shares will happen in the minimum contract size of 1200 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a Shareholder of the Issuer in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on SME Exchange.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful Applicants will only

be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture with warrants, secured premium notes, etc. issued by our Company.

APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for (i) lock-in of the pre- Issue Equity Shares, (ii) the minimum Promoters' contribution and (iii) as provided in "**Main Provisions of Articles of Associations**" beginning on page 347 there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of shares / debentures and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled "**Main Provisions of Articles of Association**" beginning on page 347.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under a laws or regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, an Issuer whose post-issue paid-up capital is less than or equal to ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**"), in this case being the SME Platform of BSE. For further details regarding the salient features and terms of such Issue, please refer to the chapter titled "**Terms of the Issue**" and "**Issue Procedure**" beginning on page 292 and 304.

The Issue of up to 19,64,400 Equity Shares for cash at a price of ₹ 100 per Equity Share (including a premium of ₹ 90 per Equity Share aggregating to ₹ 1,964.40 Lakhs). The Issue comprises a Net Issue to the public of 18,64,800 Equity Shares (the "**Net Issue**"). The Issue and Net Issue will constitute 26.65% and 25.30% of the post Issue paid up Equity Share capital of our Company.

The Issue comprises a reservation of 99,600 Equity Shares of ₹ 100/- each for subscription by the designated Market Maker ("**The Market Maker Reservation Portion**").

The Issue is being made through the Fixed Price Process. The Face value of the Equity Shares is ₹ 10/- each

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|--|--|--|
| Number of Equity Shares | 1,864,800 Equity Shares | 99,600 Equity Shares |
| Percentage of Issue Size available for allocation | 94.93% of the Net Issue size shall be available for allocation | 5.07% of the Issue size |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 1,200 Equity Shares each. For further details please refer to "Basis of Allotment" _under Section titled " Issue Procedure " beginning on page 304 of this Draft Prospectus. | Firm Allotment |
| Mode of Application | All the Applicants shall make the application (Online or Physical) through ASBA Process including through UPI mode (as applicable) | Only through the ASBA Process |
| Minimum Application Size | <u>For QIB and Nil:</u> Such number of Equity Shares in multiples of 1200 | 99,600 Equity Shares at a price of Rs.100 each |

| | | |
|--------------------------|--|--|
| | Equity Shares at an Issue Price of Rs. 100 each such that the Application value exceeds Rs. 2,00,000 <i>For Retail Individuals:</i> 1200 Equity Shares at an Issue Price of Rs.100 each | |
| Maximum Application Size | <i>For QIB and NII:</i> The maximum application size is the Net Issue to public, i.e., 1,864,800 subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of 1200 Equity Shares at an Issue Price of Rs. 100 each such that the Application value does not exceed ₹2,00,000 | 99,600 Equity Shares at a price of Rs100 each |
| Mode of Allotment | Compulsorily in Dematerialized mode. | |
| Trading Lot | 1,200 Equity Shares | 1,200 Equity Shares; the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Terms of Payment | The entire Application Amount will be payable at the time of submission of the Application Form. | |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled “**Issue Structure**” beginning on page 300 of this Draft Prospectus.

* As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the Allocation’ is the net issue to the public category shall be made as follows:

- (i) Minimum fifty per cent to Retail Individual Investors; and
- (ii) Remaining to: (i) Individual Applicants other than Retail Individual Investors; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the Retail Individual Investor category is entitled to more than fifty per cent on proportionate basis, accordingly the Retail Individual Investors shall be allocated that higher percentage.

In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.

Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.

SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

WITHDRAWAL OF THE ISSUE

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

If our Company in consultation with the Lead Manager withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchange. 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.

ISSUE PROGRAMME

| | |
|---|-----|
| Issue Opening Date | [●] |
| Issue Closing Date | [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange | [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds | [●] |
| Credit of Equity Shares to demat accounts of Allottee's | [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange | [●] |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian

Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of Applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of Applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of Applications received from only Retail Individual Applicants, which may be extended up to such time as deemed fit by Designated Stock Exchange after taking into account the total number of Applications received up to the closure of timings and reported by LM to Designated Stock Exchange within half an hour of such closure.

It is clarified that Applications not uploaded on the electronic system, would be rejected. 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 details as per the file received from the Designated Stock Exchange may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Application on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public Issues, some Applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

ISSUE PROCEDURE

All Applicants 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 the UPI Circulars, notified by SEBI (the ‘General Information Document’), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document shall be made available on the websites of the Stock Exchanges, the Company and the Lead Manager before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to this Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS alerts, web portal to CUG etc., shall be applicable to public issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue and should carefully read the Draft Prospectus/Prospectus before investing in the Issue. 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 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIs through Designated Intermediaries (other than SCSBs), issued by SEBI, 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”).

Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RILs ("**UPI Phase III**") and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. ("**T+3 Circular**") The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Prospectus.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website. 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in 196 unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of application money to four days.

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares

that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, the Company and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

FIXED PRICE PROCEDURE

The Issue is being made in compliance with the provisions of Regulation 229 (1) of Chapter IX of the SEBI(ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR)Regulations, as amended, as present issue is a fixed price issue the allocation in the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to Retail Individual Investors; and
- b) Remaining to:
 - (i) *Individual Applicants other than Retail Individual Investors; and*
 - (ii) *Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*
Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the Retail Individual Investor category is entitled to more than fifty per cent on proportionate basis, accordingly the Retail Individual Investors shall be allocated that higher percentage.

Applicants are required to submit their applications to the Application Collecting Intermediaries i.e.,SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIIs using the UPI

mechanism) and beneficiary account number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.

Application Form

Retail Individual Investors can submit their applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants. Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Corporate 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 the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own bank account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Application Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection Centers only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Application Form for various investors applying in the Issue is as follows:

| Category | Color * |
|--|---------|
| Resident Indians and Eligible NRI's applying on a non-repatriation basis (ASBA) | White |
| Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA) | Blue |

** Excluding electronic Application Form*

RIs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient

credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

- (i) an SCSB, with whom the bank account to be blocked, is maintained.
- (ii) a syndicate member (or sub-syndicate member),
- (iii) a stockbroker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“**Broker**”),
- (iv) a depository participant (“**DP**”) (and whose name is mentioned on the website of the stock exchange as eligible for this activity),
- (v) a registrar to an issue and share transfer agent (“**RTA**”) (and whose name is mentioned on the website of the Stock Exchange as eligible for this activity),

Retail 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 application form. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic system of Stock Exchange will be done by:

| | |
|---|---|
| For applications submitted by investors to SCSBs: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic system as specified by the Stock Exchange(s) and may begin blocking the funds available in the bank account linked bank account details specified in the form, to the extent of the application money specified. |
|---|---|

| | |
|--|---|
| For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment: | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic system as specified by the Stock Exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to the Designated Branches of the respective SCSBs for blocking of the funds within one day of the closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment | <p>After accepting the application form, respective intermediary shall capture and upload the relevant details, including UPI ID, in the electronic system of Stock Exchange(s).</p> <p>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.</p> <p>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.</p> |

Stock exchange(s) shall validate the electronic details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every application entered in the Stock Exchanges platform, and the liability to compensate ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to the 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 Banker to the Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Bank and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75

dated May 30, 2022.

Availability of Draft Prospectus, Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Corporate Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e., www.bseindia.com.

Who can apply?

- 1) 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 demataccount 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
- 2) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- 3) 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;
- 4) Mutual Funds registered with SEBI;
- 5) 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;
- 6) 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);
- 7) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB portion;
- 8) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- 9) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional applicant's category;
- 10) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;

- 11) Foreign Venture Capital Investors registered with the SEBI;
- 12) 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;
- 13) Scientific and/or industrial research organizations authorized to invest in equity shares;
- 14) Insurance companies registered with Insurance Regulatory and Development Authority, India;
- 15) Provident funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 16) Pension funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 17) 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;
- 18) Insurance funds set up and managed by army, navy or air force of the Union of India and Department of Posts, India;
- 19) Multilateral and bilateral development financial institution;
- 20) Eligible QFIs;
- 21) Foreign nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
- 22) Multilateral and bilateral development financial institutions;
- 23) State industrial development corporations;
- 24) Nominated investor and Market Maker;
- 25) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. 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 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 to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

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.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) *For Retail Individual Investors*

The Application must be for a minimum of 1200 Equity Shares and in multiples of 1200 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of the Application, the Retail Individual Investors have to ensure that the Application Amount does not exceed Rs. 2,00,000.

b) *For Other Applicants (Non-Institutional Applicants and QIBs):*

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 1200 Equity Shares thereafter. An application cannot be resubmitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non- Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Equity Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 1200 Equity Shares the allotment will be made as follows:
 - a. Each successful Applicant shall be allotted 1200 Equity Shares; and
 - b. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of equity shares worked out as per (2) above.
- 4) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 1200 equity shares, the Applicant would be allotted equity shares by rounding off to the nearest multiple of 1200 equity shares subject to a minimum allotment of 1200 equity shares.
- 5) If the equity shares allotted on a proportionate basis to any category is more than the equity shares allotted to the Applicants in that category, the balance available equity shares or allocation shall be first adjusted against any category, where the allotted equity shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance equity shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of equity shares. If as a result of the process of rounding off to the nearest multiple of 1200 Equity shares, results in the actual allotment being higher than the equity shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of

the issue specified under the Capital Structure mentioned in this Draft Prospectus.

- 6) Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS

Except for the underwriting and market making obligations, the Lead Manager, Underwriters and Market Maker, if any shall not be allowed to subscribe to the Issue in any manner. However, associates and affiliates of the Lead Manager and Syndicate Members, if any, may subscribe to or purchase Equity Shares in the Issue, either in the QIB category or in the non-institutional category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a) As per Section 29 (1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form.
- b) The Equity Shares, on Allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines and applicable laws.

Information for the Applicants

- 1) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- 2) Our Company shall, after registering the Prospectus with the RoC, make a pre-issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement shall be in the prescribed format as per ICDR Regulations.
- 3) Copies of the Application Form and the abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Corporate Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange.
- 4) Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Corporate Office.

- 5) Applicants who are interested in subscribing for the Equity Shares should approach the Designated Intermediaries to register their applications.
- 6) Applications made in the name of minors and/or their nominees shall not be accepted.
- 7) The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or UPI ID linked account is maintained in case of Retail Individual Investor, 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 or alternatively, the Retail Individual Investors wishing to apply through UPI channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
- 8) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained, or UPI ID linked account is maintained in case of Retail Individual Investor. Applications submitted directly to the SCSBs 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 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 Applicants, or in the case of application in joint names, the First Applicant (the first name under which the beneficiary account or UPI linked account number 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 Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons 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 Applicants.
- 10) The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the 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 Application Form is liable to be rejected.

Applicants are advised to ensure that any single application form 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 the Prospectus.

APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such applications are made.

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the applications clearly indicate the scheme concerned for which the application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NONREPATRIATION

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities issued to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as NRO accounts.

APPLICATIONS BY ELIGIBLE NRIS/FII'S/RFPI'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at our Corporate Office. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Nonresident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Issue of shares for Allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the

income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

APPLICATION BY FPIS (INCLUDING FIIS)

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of the post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company. With effect from April 1, 2020, the aggregate limit by FPIs shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company, in consultation with the Lead Manager, reserves the right to reject any applications without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents ([●] in colour).

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

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.

To ensure compliance with the applicable limits, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Issue shall:

- (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI, and
- (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs, (ii) such offshore derivative instruments are

issued only to persons eligible for registration as Category I FPIs, (iii) such offshore derivative instruments are issued after compliance with “know your client” norms, and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, among others, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Further, applications by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be regarded as multiple applications:

- FPIs which utilise the multi-investment manager (“**MIM**”) structure.
- Offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments.
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration.
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs.
- Government and Government related investors registered as Category I FPIs.
- Entities registered as collective investment scheme having multiple share classes.

The applications belonging to the aforesaid seven structures and having same PAN may be collated and identified as a single application in the application process. The Equity Shares allotted in the application may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid applications, FPIs making multiple applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple applications utilise any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation.

In the absence of such confirmation from the relevant FPIs, such multiple applications shall be rejected.

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an initial public offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 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 reregistered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations 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 Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation. Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to reject any Application without assigning any reason thereof. Limited Liability partnerships can participate in the Issue only through ASBA process.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserve the right to reject any application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”), as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) The industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

** The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,50,00,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.5,00,00,000 Lakhs or more but less than Rs.2,50,00,000 Lakhs.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the IRDA Investment Regulations for specific investment limits applicable to them.

APPLICATIONS BY BANKING COMPANIES

In case of applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (“**Banking Regulation Act**”) and the Master Direction – Reserve Bank of India (Financial services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non- financial services company cannot exceed 20%

of the bank's paid up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

APPLICATIONS BY SCSBS

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 applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

APPLICATIONS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its Statutory Auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any application without assigning any reason thereof. NBFC-SI participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores 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 byelaws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

With respect to the applications by VCFs, FVCIs and FPIs, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In the case of applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company

reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In the case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In the case of applications made by to the power of attorney by FIIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, 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 Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

APPLICATION BY PROVIDENT FUNDS/PENSION FUNDS

In case of applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for, or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in the Prospectus.

In relation to electronic registration of applications, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges, nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

METHOD AND PROCESS OF APPLICATIONS

- 1) Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
- 2) The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
- 3) During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- 4) The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
- 5) The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic system of Stock Exchange and post that blocking of funds will be done by as given below:

| | |
|--|--|
| For the applications submitted by the investor to SCSB with using UPI for payment | After accepting the form, SCSB shall capture and upload the relevant details in the electronic 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 without use of UPI for payment | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic system of the Stock Exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to Designated Branches of the respective SCSBs for blocking of funds within one day of closure of the Issue. |

- 6) The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the Applicant.
- 7) Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
- 8) If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
- 9) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
- 10) The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

TERMS OF PAYMENT

The entire Issue Price of Rs. 100/- 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank 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 or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

PAYMENT MECHANISM FOR APPLICANTS

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank 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 Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, 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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, may use UPI. 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).

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days has been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Circular, once UPI Phase III becomes applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI mode?

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (public issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking Of Funds:

- a) Applicants shall create UPI ID.
- b) Applicants shall submit their IPO applications through intermediaries and the Applicants shall enter UPI ID in the Application Form.
- c) Thereafter, intermediary shall upload the application details and UPI ID in the electronic system of the Stock Exchange.
- d) Stock Exchange shall validate the application details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission.
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds.
- f) Thereafter the Applicants shall receive notification and shall confirm the request by entering valid UPI

PIN and upon such acceptance of request, funds would get blocked and intimations shall be given to the Applicants regarding blocking of funds.

Unblocking Of Funds:

- a) After the Issue Closing Date, the RTA on the basis of the application and blocking received from Stock Exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds.
- c) Based on authorization given by the Applicant using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from Applicant's account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the application till the closure of the Issue Period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID Only.

Rejection Grounds Under UPI Payment Mechanism

An Applicant making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

List of Banks Providing UPI Facility

- a. An Applicant shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.
- b. A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:
Home >> Intermediaries/Market Infrastructure Institutions >>Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI.
- c. Applicants whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of Application Form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

- d. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the Application Amount is up to Rs. 500,000, may use UPI.

ELECTRONIC REGISTRATION OF APPLICATIONS

- 1) The Designated Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Designated Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Designated Intermediaries or (iii) the applications accepted but not uploaded by the Designated Intermediaries.
- 5) The Stock Exchange will issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

| Sr. No. | Details * |
|---------|-------------------|
| 1 | Symbol |
| 2 | Intermediary code |

| | |
|----|-----------------|
| 3 | Location Code |
| 4 | Application No. |
| 5 | Category |
| 6 | PAN |
| 7 | DP ID |
| 8 | Client ID |
| 9 | Quantity |
| 10 | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

- 7) With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
- Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Applicant Category;
 - PAN Number (of First Applicant, if more than one Applicant);
 - DP ID & Client ID
 - Numbers of Equity Shares applied for;
 - Amount;
 - Location of the Banker to the Issue or Designated Branch, as applicable and bank code of the SCSB branch where the ASBA Account is maintained;
 - Bank account number and
 - Such other information as may be required.
- 8) In case of submission of the application by an Applicant through the electronic mode, the Applicant shall complete the above-mentioned details and mentioned the bank account number, except the electronic application form number which shall be system generated.
- 9) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to Applicant, by giving the counter foil or specifying the application number to the Applicant, as a proof or having accepted the Application Form, in physical or electronic mode, respectively. The registration of the application by the Application Collecting 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) The Designated Intermediaries shall have no right to reject the applications, except on technical grounds as mentioned in the Prospectus.
- 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 the compliance with various statutory and

other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

- 13) The Designated Intermediaries will be given time till 1.00 p.m. on the next Working Day after the Issue Closing Date to verify the PAN No., 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 the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 14) The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
- 15) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

Allocation of Equity Shares

- 1) The Issue is being made through the Fixed Price Process wherein 99,600 Equity Shares shall be reserved for the Market Maker and 9,32,400 Equity Shares will be allocated on a proportionate basis to Retail Individual Investors, subject to valid applications being received from the Retail Individual Investors at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to non-retail investors.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, non-retail investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of EquityShares required. Two or more Applications will be deemed to be multiple applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- (iv) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the mutual fund registered with SEBI and such applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the applications clearly indicate the scheme concerned for which the application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple applications in any or all categories.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and submission of a second application in such manner will be deemed a multiple application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground. Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depositor Participants' verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

Option To Receive Equity Shares in Dematerialized Form

Applicants should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottee's shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

Signing Of Underwriting Agreement

The Issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●].

Filing Of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

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. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 Working Days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one Working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Banker 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 Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account
- under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the Applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Investors applying through UPI channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stockinvest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Investors);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

RIGHT TO REJECT APPLICATIONS

In case of QIBs, the Company in consultation with the Lead Manager may reject applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non- Institutional Investors, Retail Individual Investors who applied, the Company has a right to reject applications based on technical grounds.

In addition to the grounds for rejection of Application on technical grounds as provided in the "General Information Document" Applicants are requested to note that applications may be rejected on the following additional technical grounds.

GROUPS FOR REJECTIONS

Applicants are advised to note that applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- December not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1,200;
- Category not ticked;
- In case of application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by stock invest/ money order/ postal order/ cash;
- Signature of Sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant 's identity (DP ID) and the beneficiary 's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or qualified institutional buyers as defined in Rule 146A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIBs, Non-Institutional Investors where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;

- Applications not containing the details of bank account and/or Depositories Account.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Instructions for Completing the Application Form

The applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for Applicants to submit Application forms in public issues using the stockbroker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e., www.bseindia.com. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. www.bseindia.com. For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details, PAN No's, UPI ID (if applicable), Client ID and DP ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Applicants 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 Applications and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one Working Day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and

commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) Working Days of closure of the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment shall be made within three (3) days of the Issue Closing Date;
- 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
- 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.

Impersonation

Attention of the applicants is also specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013 and shall be treated as Fraud.”***

Completion of formalities for Listing & Commencement of Trading

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 3 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment advise within 6 Working Days of the Issue Closing Date.

Mode of Refund

- a) In case of ASBA Applicants:** Within 6 (six) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful

Application, for any excess amount blocked on application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Issue.

- b) **In the case of Applications from Eligible NRIs and FPIs**, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.
- c) **In case of other investors:** Within six (6) Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors indispacth of refund orders or refunds through Electronic Transfer of Funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of Making Refund for ASBA Applicants

In case of ASBA Application, the Registrar of the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- I. NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Applicant as obtained from the Depository;
- II. NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- III. Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- IV. RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the Applicant, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as “**Demographic Details**”). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;
- V. Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The Issuer shall make the Allotment within the period prescribed by SEBI. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four (4) Working Days from the Issue Closing Date, the applicant shall be compensated in accordance with applicable law, i.e. the Applicant shall be compensated at a uniform rate of Rs. 100.00 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 20 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within within such timeline as may be prescribed by SEBI;
- 3) That our Promoter 's contribution in full has already been brought in;
- 4) If the Allotment is not made within the prescribed time under applicable law, ApplicationAmount will be refunded/unblocked in the ASBA Accounts within four days from the Issue Closing Date or such other time as may be specified by SEBI, failing which our Company shall payinterest prescribed under the Companies Act, 2013 and the SEBI ICDR Regulations for thedelayed period;
- 5) 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;
- 6) 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;
- 7) That no further issue of Equity Shares shall be made till the Equity Shares issued through this Draft Prospectus are listed or until the application monies are refunded on account of non- listing, under subscription etc.;
- 8) That the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non - resident Indians shall be completed within specified time;
- 9) That Company shall not have recourse to the Issue proceeds until the approval for trading of theEquity Shares from the Stock Exchange where listing is sought has been received;
- 10) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published.The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 11) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue; and

- 12) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 13) That none of the Promoters or Directors of the Company is wilful defaulter or a fraudulent borrower under Section 5(c) of SEBI ICDR Regulations.

UTILIZATION OF ISSUE PROCEEDS

Our Board of Directors 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 to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of SEBI LODR Regulations as amended from time to time in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Net Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all Shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar to the Issue:

- a. Agreement dated June 02, 2023 between CDSL, the Company and the Registrar to the Issue;
- b. Agreement dated June 02, 2023 between NSDL, the Company and the Registrar to the Issue;
- c. The Company's shares bear an ISIN: INEQ1R01012

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, the FDI Policy, FEMA and rules and regulations made thereunder. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the RBI and the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“DPIIT”).

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT consolidated FDI Policy, which with effect from October 15, 2020 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government has also enacted Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Debt Instruments) Rules, 2019 in supersession of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2018.

Investment by Foreign Portfolio Investors (FPIs)

FPIs are permitted to subscribe to Equity 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. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the total paid-up equity capital of the Indian company on a fully diluted basis and subject to the aggregate limit of all FPIs put together being 24% of the paid-up equity capital of the Indian company on a fully diluted basis. However, this aggregate limit of 24 % may be increased upto sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its board of directors followed by passing of a special resolution to that effect by its general body.

With effect from the April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. The aggregate limit as provided above may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its general body through a resolution and a special resolution, respectively before March 31, 2020. The Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively; however, once the

aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. Aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24 per cent.

Subscription by Non-Resident Indians (NRI) or Overseas Citizen of India (OCI) on Repatriation Basis

As per Schedule 3 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, a NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorised dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the company.

Investment by NRI or OCI on Non-Repatriation Basis

As per Schedule 4 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, purchase by an NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside, it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a Nidhi company or a company engaged in agricultural/ plantation activities or real estate business or construction of farm houses or dealing in transfer of development rights.

Investment by other Non-Residents

As per Schedule 1 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, a person resident outside India may purchase capital instruments of a listed Indian company on a stock exchange in India provided the person resident outside India making the investment has already acquired control of such company in accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and continues to hold such control and the amount of consideration may be paid as per the mode of payment prescribed in Schedule 1 or out of the dividend payable by Indian investee company in which the person resident outside India has acquired and continues to hold the control in accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 provided the right to receive dividend is established and the dividend amount has been credited to a specially designated non-interest bearing rupee account for acquisition of shares on the recognised stock exchange.

Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and

/ or subsequent purchase or sale transaction in the Equity Shares of Our Company.

No person shall make an application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

Investment by Non-Resident Entities in India Under FDI Policy 2020:

The FDI Policy 2020 provides that a non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. However, an entity of a country, which shares a 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, can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investment. In the event of the 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 restriction/purview as mentioned herein, such subsequent change in beneficial ownership will also require Government approval. The same is in line with the Press Note No. 3(2020 Series) dated April 17, 2020 as issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India in order to curb opportunistic takeover/acquisition of Indian Companies due to COVID-19 pandemic conditions.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Table F in Schedule I of the Companies Act, 2013, the SEBI ICDR Regulations and 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 and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

These Articles of Association were adopted by the Company in their EGM held on March 17, 2023.

The Authorized capital of our Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000/- (One Crore) Equity Shares of Rs. 10/- (Rupees 10) each.

**THE COMPANIES ACT, 2013
AND THE COMPANIES ACT, 1956 (AS APPLICABLE) COMPANY LIMITED BY SHARES
*ARTICLES OF ASSOCIATION OF
** QUALITEK LABS PRIVATE LIMITED**

| Sr. No | Particulars | |
|--|---|--|
| INTERPRETATION | | |
| I | (1) In these regulations -- | |
| | “The Act” means the Companies Act, 2013, | Act |
| | “The seal” means the common seal of the company. | Seal |
| | (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. | Expression in the article to bear same meaning in Acts. |
| | (3) The Company is a Public Company as per Section 2(71) of the Companies Act, 2013 which means: - (a) is not a private company; (b) has a minimum paid-up share capital as may be prescribed. | Public Company |
| SHARE CAPITAL AND VARIATION OF RIGHTS | | |
| II. 1. | Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. | Shares to be under control of Directors |
| 2. | (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within | Share Certificates |

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| | <p>two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> | |
| 3. | <p>(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p> | Issue of new certificates in place of those defaced, lost or destroyed. |
| 4 | <p>Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p> | Company not bound to recognise any interest in share other than that of registered holders. |
| 5 | <p>(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> | Commission Payable |

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| | (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. | |
| 6 | (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. | Modification of rights |
| 7 | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. | New Issue of Shares not to affect rights attached to existing shares of that class. |
| 8 | (i) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine. (ii) The Board may grant permission for Sub-Division/Consolidation of Share Certificates. | Issue and redemption of preference shares |
| LIEN | | |
| 9 | (i) The company shall have a first and paramount lien - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. | Company to have lien on shares |
| 10 | The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made -- | As to enforcing lien by sale. |

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| | <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p> | |
| 11 | <p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p> | Purchaser of the shares so transferred through enforcing lien by sale. |
| 12 | <p>(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. The Fully paid-up Shares shall be free from all lien and that in case of Partly paid up Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p> | Application of proceeds of sale. |
| CALLS ON SHARES | | |
| 13 | <p>(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p> | Directors may make calls |
| 14 | A call shall be deemed to have been made at the time when | Calls to date from resolution |

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| | the resolution of the Board authorizing the call was passed and may be required to be paid by instalments. | |
| 15 | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders to pay on call of shares |
| 16 | (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part. | Calls to carry interest |
| 17 | (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | Sums deemed to be calls |
| 18 | (i) The Board -- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. (ii) That any amount paid up in advance of calls on any Share may carry interest but shall not in respect thereof confer a Right to dividend or to participate in Profits of the Company. (iii) That option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meetings. | Payments in Anticipation of calls may carry interest |
| TRANSFER OF SHARES | | |
| 19 | (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. | Execution of the instrument of shares. |

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| | (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. | |
| 20 | (i) The Board may, subject to the right of appeal conferred by section 58 decline to register -- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the company has a lien. | Directors may refuse to register transfer. |
| 21 | The Board may decline to recognise any instrument of transfer unless -- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares. | Board to decline recognition of instrument of transfer. |
| 22 | (i) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year. (ii) That registration of Transfer shall not be refused on the ground of the transferor either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. (iii) That a common form of transfer shall be used. | Notice for suspension of registration |
| TRANSMISSION OF SHARES | | |
| 23 | (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. | Recognition of legal representative |
| 24 | (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from | Registration of persons entitled to share. |

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| | <p>time to time properly be required by the Board and subject as hereinafter provided, elect, either –</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> | |
| 25 | <p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p> | Notice to get registered as holder |
| 26 | <p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> | Advantages accruing to person becoming shareholder by reason of the death or insolvency of the holder |
| 27 | In case of a One Person Company- | - |
| FORFEITURE OF SHARES | | |
| 28 | If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is | If call or instalment not paid, notice may be given |

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| | unpaid, together with any interest which may have accrued. | |
| 29 | The notice aforesaid shall -- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. | Terms of notice |
| 30 | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. | On default of payment, shares to be forfeited. |
| 31 | (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. | Forfeited shares may be sold or otherwise disposed |
| 32 | (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares. | Members still liable to pay money owing at time of forfeiture. |
| 33 | (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or | Evidence of Forfeiture and Title of transferee. |

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| | invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. | |
| 34 | The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. | Applicability of forfeiture |
| ALTERATION OF CAPITAL | | |
| 35 | The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. | Increase in Share Capital |
| 36 | Subject to the provisions of section 61, the company may, by ordinary resolution, -- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. | Consolidation, Sub-Division and Cancellation |
| 37 | Where shares are converted into stock, -- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. | Conversion of shares into stocks. |

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| | (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively. | |
| 38 | The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -- (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account. | Reduction of Share Capital |
| CAPITALISATION OF PROFITS | | |
| 39 | (i) The company in general meeting may, upon the recommendation of the Board, resolve – (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards -- A. paying up any amounts for the time being unpaid on any shares held by such members respectively; B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation. | Capitalisation |
| 40 | (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -- (a) make all appropriations and applications of the undivided profits resolved to be capitalised | Fractional Certificates |

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| | <p>thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally, do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power --</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p> | |
| BUY-BACK OF SHARES | | |
| 41 | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. | Buy back of shares |
| GENERAL MEETINGS | | |
| 42 | All general meetings other than annual general meeting shall be called extraordinary general meeting. | Distinction between AGM & EGM. |
| 43 | <p>(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> | Extra-Ordinary General Meeting by Board |
| PROCEEDINGS AT GENERAL MEETINGS | | |
| 44 | <p>(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p> | Quorum for general meeting |
| 45 | The chairperson, if any, of the Board shall preside as | Chairperson |

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| | Chairperson at every general meeting of the company. | |
| 46 | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. | Director present and elected shall be the Chairperson |
| 47 | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting. | Chairperson other than as mentioned in Article 45 and 46 |
| 48 | In case of a One Person Company- | - |
| ADJOURNMENT OF MEETING | | |
| 49 | <p>(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | Adjournment of meetings |
| VOTING RIGHTS | | |
| 50 | <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares, --</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> | Vote of members |
| 51 | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. | E-Voting |
| 52 | (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. | Votes of joint members |

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| | (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | |
| 53 | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. | When holder is a person of unsound mind |
| 54 | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. | Other Business may be proceeded pending the poll |
| 55 | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid. | Pre-condition of voting right |
| 56 | (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. | Objections |
| PROXY | | |
| 57 | 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 |
| 58 | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105. | Form of proxy |
| 59 | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. | Validity of votes given by proxy notwithstanding death of a member. |
| BOARD OF DIRECTORS | | |
| 60 | The number of the directors and the names of the first | First Directors |

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| | directors shall be determined in writing by the subscribers of the memorandum or a majority of them and are as follows: 1) Mr. Alok Kumar Agarwal 2) Ms. Anju Agarwal | |
| 61 | (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them – (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company. | Remuneration and travelling & other expenses incurred by Director on Company's business. |
| 62 | The Board may pay all expenses incurred in getting up and registering the company. | Incorporation Expenses |
| 63 | The company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. | Foreign register |
| 64 | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. | Issuance of Negotiable Instruments |
| 65 | Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose. | Book in meeting to be signed by directors. |
| 66 | (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act. | Appointment of Additional Director. |
| PROCEEDINGS OF THE BOARD | | |
| 67 | (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. | Meetings of Directors. |

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| | (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. | |
| 68 | (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. | Questions at Board meeting how decided |
| 69 | 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 |
| 70 | (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. | Chairperson |
| 71 | (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. | Directors may appoint committee. |
| 72 | (i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. | Chairperson of Committee Meeting |
| 73 | (i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. | Meetings of the Committee |
| 74 | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as | Acts of Board or Committee shall be valid notwithstanding defect in appointment. |

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| | if every such director or such person had been duly appointed and was qualified to be a director. | |
| 75 | Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held. | Validity of resolution |
| 76 | (i) In case of a one person company— (ii) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118; (iii) such minutes book shall be signed and dated by the director; (iv) the resolution shall become effective from the date of signing such minutes by the director | Proceedings in case of a one person company |
| CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER | | |
| 77 | Subject to the provisions of the Act, -- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer | Appointment of Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer |
| 78 | 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. | No deemed authorization to same person holding two distinct position. |
| THE SEAL | | |
| 79 | (i) The Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. | Seal of the Company |

| DIVIDENDS AND RESERVE | | |
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| 80 | The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. | Declaration of dividends |
| 81 | 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 Dividends |
| 82 | <p>(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>(ii) 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 |
| 83 | <p>(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> | Division of profits |
| 84 | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. | Payables on account of calls or otherwise may be deducted |
| 85 | (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered | Dividends may be paid by cheque or warrants |

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| | <p>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.</p> <p>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> | |
| 86 | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Joint holders to give effective receipt |
| 87 | 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 dividends by the Company |
| 88 | <p>(i) No dividend shall bear interest against the company.</p> <p>(ii) There shall be no forfeiture of unclaimed dividend before the claim becomes barred by law.</p> | Dividends to not bear interest |
| ACCOUNTS | | |
| 89 | <p>(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p> | Accounts and Books to be open for inspection |
| WINDING UP | | |
| 90 | <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</p> | Winding up of company |

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| | compelled to accept any shares or other securities whereon there is any liability. | |
| INDEMNITY | | |
| 91 | Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal. | Right to Indemnify |

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of this Draft Prospectus, which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus, delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at our Corporate Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date, except for such contracts and documents that will be executed subsequent to the completion of the Issue Closing Date. Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

MATERIAL CONTRACTS TO THE OFFER/ISSUE

- 1) Issue Agreement dated May 02, 2023 entered into between our Company, and the Lead Manager.
- 2) Registrar Agreement dated August 09, 2023 entered into between our Company, and the Registrar to the Issue.
- 3) Underwriting Agreement dated [●] between our Company, Underwriters, Lead Manager and Market Marker.
- 4) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
- 5) Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, Banker(s) to the Issue, Sponsor Bank and the Registrar to the Issue;
- 6) Tripartite agreement among the NSDL, our Company and the Registrar to the Issue dated June 02, 2023.
- 7) Tripartite agreement among the CDSL, our Company and the Registrar to the Issue dated June 02, 2023.

MATERIAL DOCUMENTS IN RELATION TO THE OFFER/ISSUE

- 1) Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
- 2) Resolutions of the Board of Directors dated April 29, 2023 in relation to the Issue and other related matters.

- 3) Shareholder's resolution passed at the Extra Ordinary General meeting dated May 02, 2023 authorizing the Issue.
- 4) Report of the Statutory Auditor, J Madan Associates, Chartered Accountants, dated August 21, 2023 on the Financial Statements as Restated for the period financial year ended March 31, 2023, 2022 and 2021 of our Company.
- 5) Statement of Tax Benefits dated August 21, 2023 issued by our Statutory Auditor, J Madan & Associates, Chartered Accountants.
- 6) Copy of In-principal approval dated [●], to use its name in this Issue document for listing of Equity Shares on SME Platform of BSE.
- 7) Board Resolution dated April 29, 2023 for appointment and remuneration of our Managing Director and Whole – Time Director.
- 8) Copy of Audited Financials for the period ended March 31, 2023, 2022, and 2021 of our Company.
- 9) Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to the Company, Lenders, Legal Advisor to the Issue, Lead Manager to the Issue, Registrar to the Issue, Underwriter of the Issue, Market Maker, Bankers to the Issue, Refund Banker to the Issue, Sponsor Bank to act in their respective capacities.

None of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

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| Sd/- Antaryami Nayak Managing Director DIN: 07232463 | Sd/- Kamal Grover Whole-Time Director DIN: 07429267 |
| Sd/- Alok Kumar Agarwal Non-Executive Director DIN: 02713687 | Sd/- Sulabh Jain Independent Director DIN: 07739598 |
| Sd/- Shubhangi Agarwal Independent Director DIN: 08135535 | Sd/- Manish Wahi Independent Director DIN: 09785936 |

SIGNED BY THE CFO AND CS OF OUR COMPANY

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| Sd/- Ashima Bhatnagar Company Secretary & Compliance Officer PAN: ATIPB8794R | Sd/- Navneet Gupta Chief Financial Officer PAN: ANNPG5364K |
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Date: September 04, 2023

Place: New Delhi