



ISO 9001 : 2015



CERTIFICATE No. : Q-221703022023

April 18, 2024

The Chief General Manager
Listing Operations
BSE Limited
Fort, Mumbai 400 001

Dear Sir,

SUB: ISSUE OF UP TO 1,41,96,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A-PRICE OF ₹7 PER RIGHTS EQUITY SHARE AGGREGATING TO ₹ 993.72 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY(THE ISSUE)

We have pleasure in informing you that we propose to make a rights issue of equity shares at a price of Rs.7/- aggregating up to Rs.993.72 lacs, to the existing shareholders of our Company which will open for subscription on April 24, 2024. We have not appointed any merchant banker to the issue.

We enclose a copy of the Letter of Offer in .pdf format for uploading on the SEBI website. We request you to kindly take the same on record and oblige.

Thanking you

Yours faithfully,

LIKKHITA DUGAR
WHOLE TIME DIRECTOR



IYKOT HITECH TOOLROOM LTD.

131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044. India.
Telefax : +91 44 4316 2280 Email : production@iykot.com Web : www.iykot.com
CIN : L27209TN1991PLC021330



IYKOT HITECH TOOLROOM LIMITED

Our Company was originally incorporated as “Elcot-Hitech Toolroom Limited”, bearing CIN No: L27209TN1991PLC021330 vide Certificate of Incorporation dated 29th day of August 1991 under the provisions of the Companies Act, 1956. Subsequently, the Target Company has changed its name from “Elcot-Hitech Toolroom Limited” to “Iykot Hitech Toolroom Limited” and a fresh Certificate of Incorporation consequent upon change of name and objects was issued by Registrar of Companies, Chennai on December 29, 2000 under the Companies Act, 1956. For chant in Name and Change in Registered Office please refer to “Chapter: General Information” on Page 33 of this Letter of Offer

Registered Office: 131/2, Thiruneeermalai Road, Nagalkeni, Chromepet, Chennai – 600 044 Tamil Nadu, India

Tel. No. +91-44-43162280; **E-mail:** info@iykot.com; **Website:** www.iykot.com

Contact Person: P Udayakumar, Company Secretary and Compliance Officer

Corporate Identity Number: L27209TN1991PLC021330

OUR PROMOTERS: MS ANJANA DUGAR, MS LIKHITTA DUGAR, MR SIDDHARTHAN DUGAR, MR SUNIL CHANDRAKANT, MR RAJAPANDIAN, MR LAKSHMANAN, MR BALASUBRAMANIAN R, MR RAM KUMAR S R, MS RAJALAKSHMI I, MR PANDYA K V AND ELECTRONICS CORPORATION OF TAMIL NADU LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS IYKOT HITECH TOOLROOM LIMITED (OUR “COMPANY”) ONLY

ISSUE OF UP TO 1,41,96,000 PARTLYPAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ 7 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 2 PER RIGHTS EQUITY SHARE) AGGREGATING TO ₹ 993.72 LACS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 RIGHTS EQUITY SHARES FOR EVERY 3 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON APRIL 03, 2024 (“RECORD DATE”) (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 127 OF THIS LETTER OF OFFER.

*Assuming full subscription with respect to Rights Equity Shares

PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*	Face Value (in ₹)	Premium (₹)	Total (₹)
On Application	1.25	0.50	1.75
First and Final Call	3.75	1.50	5.25
Total (₹)	5.00	2.00	7.00

On application, investors will have to pay Rs. 1.75/- per rights equity share which constitutes 25 % of the issue price and the balance Rs. 5.25/- per rights equity share which constitutes 75 % of the issue price, will have to be paid, on first and final call, as determined by our board in consultation with the rights issue committee.

* For further details on Payment Schedule, see “Terms of the Issue” on page 127 of this Letter of Offer

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor any of our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their 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 securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” on page 19 of this Letter of Offer.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed on BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received “in-principle” approvals from BSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through its letter dated June 19, 2023. Company will also make applications to the Stock Exchange to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE

REGISTRAR TO THE ISSUE



CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 01, Club House Road,
Chennai- 600 002, Tamil Nadu, India.

Telephone: +91 44 4002 0700/ 0710/ 2846 0390 **Facsimile:** N.A.

Email: rights@cameoindia.com; **Website:** <https://rights.cameoindia.com/iykot/>, www.cameoindia.com

Investor grievance e-mail: investor@cameoindia.com

Contact Person: Sreepriya K.

SEBI Registration No.: INR000003753

Validity of Registration: Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
Wednesday April 24, 2024	Thursday, April 30, 2024	Wednesday, May 08, 2024

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date.

**Our Board or the Securities Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The Terms used in “Summary of Letter of Offer”, “Restated Financial Statements”, “Statement of Special Tax Benefits”, “Outstanding Litigations and Defaults” and “Terms of the Issue” on pages 16, 75, 48, 117 and 127 respectively of this Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
“Company”, “Our Company”, “the Company”, or “IHTL”	Iykot Hitech Tool Room Limited, a public limited company incorporated under the Companies Act, 1956 whose registered office is situated at 131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044, Tamil Nadu
“We”, “Our”, “Us”, or “our Group”	Unless the context otherwise requires, indicates or implies or unless otherwise specified, Our Company. as applicable, as at and during the relevant Financial Year.

Company Related Terms

Term	Description
Articles of Association” or “Articles	Articles of Association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board
Auditors or Statutory Auditors	The statutory auditors of our Company, namely., Vivekanandan Associates Chartered Accountants
Audited Financial Statements	The audited standalone financial statements of our Company as at and for the financial year ended March 31, 2023, which comprises the balance sheet as at March 31, 2023 and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, along with notes to the financial statements, including a summary of significant accounting policies and other explanatory information
Board of Directors, or Board or our Board	The Board of Directors of our Company or any duly constituted committee thereof.
Director(s)	The director(s) on our Board, as disclosed in “Our Management” on page 62 of this Letter of Offer
Equity Shares	Equity shares of face value of ₹. 5 each of our Company
Executive Director(s)	Executive Director(s) of our Company being Ms Likhitta Dugar, unless otherwise specified.
Chief Financial Officer	The Chief Financial Officer of our Company, Mr S Chandrasekaran
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Directors	An independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “Our Management” on page 62 of this Letter of Offer

Term	Description
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in “Our Management” on page 62 of this Letter of Offer
Material Subsidiaries	Our Company does not have any material subsidiaries
Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
“Non-Executive Director(s)”	A Director, not being an Executive Director of our Company, being Ms Annjana Dugar, unless otherwise specified
Promoters	The promoters of our Company, being Anjanna Dugar, Likhitta Dugar, Siddharth Nandulal, Sunil Chandrakant, Rajapandian, Lakshnmanan, Balasubramanion R, Ram Kumar S R , Rajalakshmi I, Pandya K V And Electronics Corporation Of Tamil Nadu Limited
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	Registered office of our Company situated at 131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044, Tamil Nadu
Rights Issue Committee	The Rights Issue committee of our Board constituted through the resolution of the Board dated February 10, 2023.
Restated Financial Statements	Our restated Ind AS summary statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and restated Ind AS summary statement of profit and loss, restated Ind AS summary statement of changes in equity and restated Ind AS summary statement of cash flows for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, together with the annexures, notes and other explanatory information thereon, derived from the annual audited financial statements as at and for year ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated in accordance with Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI.
Subsidiaries	Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable Accounting Standards. We currently do not have any subsidiaries.
Shareholders or “Equity Shareholders	The holders of the Equity Shares from time to time

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment or Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying credit to the escrow account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, RBL Bank
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made pursuant to the Issue

Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Investor
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application, i.e., ₹ 1.75 per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorising the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant/ ASBA Investors	Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being RBL Bank
Banker(s) to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange in this Issue, as described in “Terms of the Issue” on page 127 of this Letter of Offer.
Call/ First and Final Call	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Money.
Call Money	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule, being ₹ 5.25 per Rights Equity Share after payment of the Application Money.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE
Eligible Equity Shareholder(s)	Existing Equity Shareholders as at the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see “Notice to Investors” on page 9 of this Letter of Offer

Equity Shareholder(s) or Shareholders	Holder(s) of the Equity Shares
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being, RBL Bank
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
Issue or Rights Issue	<p>This issue of up to 1,41,96,000 partly paid-up Equity Shares of face value of ₹ 5/- each of our Company for cash at a price of ₹ 7 (including a premium of ₹2 per Rights Equity Share aggregating to ₹ 993.72 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of seven (7) Rights Equity Share for every Three (3) fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date.</p> <p>On Application, Investors will have to pay ₹ 1.75 per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ 5.25 per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on the first and final call , as determined by our Board at its sole discretion.</p> <p><i>*Assuming full subscription and receipt of all Call Money with respect to Rights Equity Shares.</i></p>
Issue Closing Date	Wednesday, May 08, 2024
Issue Materials	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	Wednesday, April 24, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Application, in accordance with the SEBI ICDR Regulations.
Issue Price	<p>₹ 7 per Rights Equity Share.</p> <p>On Application, Investors will have to pay ₹ 1.75 per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ 5.25 per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, in the first and final call , as determined by our Board at its sole discretion.</p>
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	<p>The issue of up to 1,41,96,000 Rights Equity Shares aggregating to ₹ 993.72 Lakhs*</p> <p><i>*Assuming full subscription and receipt of all Call Money with respect to Rights Equity Shares</i></p>
Letter of Offer	The letter of offer dated Marh 20, 2024 to be filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less Issue related expenses. For further details, please see “Objects of the Issue” on page 43 of this Letter of Offer
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws

On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Thursday, April 18, 2024
Payment Schedule	Payment schedule under which 25% of the Issue Price is payable on Application, i.e. ₹ 1.75 per Rights Equity Share and the balance unpaid capital constituting 75% of the Issue Price i.e., ₹ 5.25 per Rights Equity Share will have to be paid, in the first and final call as determined by our Board at its sole discretion.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares in the Issue, being Wednesday, April 03, 2024
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being RBL Bank
Registrar Agreement	Agreement dated March 25, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue / Registrar	Cameo Corporate Services Limited
Renouneece(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Thursday, April 18, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouneece on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being seven (7) Rights Equity Shares for every Three (3) Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares to be Allotted pursuant to this Issue
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI

Term	Description
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Business and Industry related Terms or Abbreviations

Term	Description
ABS	Acrylonitrile butadiene styrene
Cavity	Depression in the mould, which usually forms the outer surface of the moulded part;
Cycle	The whole amount of time required for a plastic injection process to manufacture a completed item
Ejection Pins	Metallic rods in the mould that push the components out
Fillet	A rounded filling of the internal angle between two surfaces
Injection Moulding	Blow A Blow Moulding Process
Plastic Tooling	Tools e.g. dies, jigs, fixtures, etc., for the metal forming trades constructed of plastics, generally laminates or casting materials
Plasticity	A property of plastics which allows the material to be deformed continuously and permanently
PE	Polyethelene
PC	Polycarbonate
PP	Polypropylene
PS	Polysterene
Resin	A raw material used to create the finished product
Tonnage	Clamping pressure a moulding machine can offer
USA/US	United States of America
USD/ US\$	US Dollar

Conventional Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996

Term	Description
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt instruments) Rules, 2019
Financial Fiscal/FY	Year/ The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Offender	Economic An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual Funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before

Term	Description
	such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. For details, see “*Restrictions on Purchases and Resales*” on page 154 of this Letter of Offer.

This Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to us, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, and the Stock Exchange.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials (including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form) in the event the Issue Materials have been sent on the registered e-mail addresses of such Eligible Equity Shareholders or if there are electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges and submitted to SEBI for information and dissemination. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other Issue Materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Any person who makes an application to acquire the Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction and India, without requirement for our Company to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgements, undertakings and agreements set forth in “*Restrictions on Purchases and Resales*” on page 154 of this Letter of Offer.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED

MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only to persons outside the United States in offshore transactions as defined in and in compliance with Regulation S under the Securities Act (“**Regulation S**”). Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by any person: (i) in the United States, or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed in part or full. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations, or would subject our Company to any filing or registration requirement (other than in India). If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction, or by their agents or nominees, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Purchases and Resales*” on page 154 of this Letter of Offer.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

This Letter of Offer is, and any other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer have been derived from our Restated Financial Statements. For details, please see “*Restated Financial Information*” on page 75 of this Letter of Offer. Our Company’s financial year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ending on March 31 of the following calendar year.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Restated Financial Statements of our Company for the Financial Years ended March 2021, March 2022 and March 2023 have been prepared in accordance with Ind AS read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Letter of Offer in “Lakh” units or in whole numbers where the numbers have been too small to represent in Lakh. One Lakh represents 1,00,000 and one million represents 10,00,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “*Restated Financial Information*” on page 75 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounding off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Letter of Offer in “lakh” or “Lac” units or in whole numbers. One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Lakh or in whole numbers where the numbers have been too small to present in Lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

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

Currency	December 29, 2023*	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	83.11	75.81	73.50	75.39
1 Euro	92.00	84.66	86.10	83.05

(Source: www.rbi.org.in and www.fbil.org.in)

* December 30 and December 31 being Saturday and Sunday respectively and exchange rate was not available

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data

involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 19 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking' statements. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

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

- trends in the Plastic Injection Moulding Industry;
- performance of our key clients;
- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labour laws or other regulatory developments;
 - manage our operating costs;
 - manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- adequate and timely supply of equipment and raw materials necessary for our operations;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 19, 56 and 98 respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors or our Promoters 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 the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigation and Material Developments*” on pages 19, 43, 56 and 117 respectively.

1. Summary of Industry

Plastic injection moulding has come a long way over the years since its introduction into the world markets. India is amongst the countries exploring this and several companies in the injection moulding industry are innovating ways of making more plastic products available to meet the demand while ensuring that quality is not affected. From using state of the art traditional moulding machines to 3D injecting machines and other tools, the industry is revolutionising the manufacture of plastic products not only in India, but in the world too.

For further details, please refer to the chapter titled “*Industry Overview*” at page 51 of this Letter of Offer.

2. Summary of Business

Our Company is engaged in the business of manufacturing high precision tools for pressed components and plastic moulding components for electronics and electrical industry in particular and also for other manufacturing industries in Tamil Nadu with the co-operation of Electronics Corporation of Tamil Nadu (ELCOT). However, due to market conditions and policy decision of the GOI, we have shifted our production from tools to tools and components manufacturing.

For further details, please refer to the chapter titled “*Our Business*” at page 56 of this Letter of Offer.

3. Our Promoter

The Promoters of our Company are Anjanna Dugar, Likhitta Dugar, Siddharth Nandulal, Sunil Chandrakant, Raja Pandian, Lakshmanan, Balasubramanion R, Ram Kumar S R , Rajalakshmi I, Pandya K V And Electronics Corporation Of Tamil Nadu Limited.

4. Intention and extent of participation by our Promoters and Promoter Group

Pursuant to letter dated February 10, 2023 Ms Annjana Dugar and Ms Likhitta Dugar (“Subscription Letter”), have confirmed that they will subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company) and to any unsubscribed portion in the proposed rights issue. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue. Electronics Corporation of India Limited (ELCOT) and the other promoters, Mr Siddharth Nandulal, Mr Sunil Chandrakant, Mr Rajapandian, Mr Lakshmanan, Mr Balasubramanion, Mr Ramkumar S R, Ms Rajalakshmi I and Mr Pandya K V have not given any undertaking to subscribe to their rights entitlement, to any shares renounced in their favour or to any unsubscribed shares in the rights issue.

5. Objects of the Issue

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

Particulars	(₹ in Lakhs) Amount
Towards Working Capital Requirements	700.00
General corporate purposes	243.72
Total Net proceeds	943.72

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, please see chapter titled “*Objects of the Issue*” on page 43 of this Letter of Offer.

6. Summary of Restated Financial Information

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2021, March 31, 2022 and 2023

(₹ in Lakhs)					
S. No.	Particulars	December 31, 2023*	March 31, 2023	March 31, 2022	March 31, 2021
1.	Authorised Share Capital	1100.00	1100.00	1100.00	1100.00
2.	Paid-up Capital	304.20	304.20	304.20	304.20
3.	Net Worth attributable to Equity Shareholders	240.10 [^]	279.39	392.58	374.87
4.	Total Revenue	134.93	234.72	841.18	630.87
5.	Profit / (Loss) after tax	(120.64)	(113.19)	17.71	2.19
6.	Earnings per Share (basic & diluted) (in ₹)	(1.98)	(1.86)	0.29	0.04
7.	Net Asset Value per Equity Share (in ₹)	-	4.59	6.45	6.16
8.	Total Borrowings	111.43 [^]	0.00	0.00	0.00

* Reviewed

[^] As on September 30, 2023

For further details, please refer the section titled “Restated Financial Information” on 73 of this Letter of Offer.

7. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below:

Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-
Tax Proceedings	-	-
Proceedings involving material violations of statutory regulations by our Company	1	7.66
Labour Matters	-	-
Economic offences	-	-
Material civil litigations above the materiality threshold	-	-
Other civil litigation considered to be material by our Company's Board of Directors	-	-

*To the extent quantifiable

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	-	-
Other civil litigation considered to be material by our Company's Board of Directors	-	-

*To the extent quantifiable

Litigations involving our Promoters / Directors

iii) Cases filed against our Promoter / Directors:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Tax Proceedings	-	-
Proceedings involving material violations of statutory regulations by our Company	-	-
Labour Matters	-	-
Economic offences	-	-
Material civil litigations above the materiality threshold	-	-
Other civil litigation considered material	-	-

**To the extent quantifiable*

iv) Cases filed by our Promoters / Directors:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	-	-
Other civil litigation considered material	-	-

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” on page 117 of this Letter of Offer.

8. Risk Factors

Please see the chapter titled “*Risk Factors*” on page 19 of this Letter of Offer.

9. Summary of Contingent Liabilities

There are no contingent liabilities as on March 31, 2023 and as on December 31, 2023.

10. Summary of Related Party Transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscals 2021, 2022 and 2023, please see “*Restated Financial Information- Annexure B- Notes to Restated Financial Statements- Note 28- Related Party Disclosures*” at page 88 of this Letter of Offer.

11. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

12. Split or consolidation of Equity Shares in the last one year

No split or consolidation of equity shares has been made in the last one year prior to filing of this Letter of Offer.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 51, 56 and 98 respectively of this Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, including the Lead Manager, has independently verified the information in the industry report or other publicly available information cited in this section.

This Letter of Offer also contains 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 certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 14 of this Letter of Offer.

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 requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

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

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

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” “our” or “Iykot” refers to Iykot Hitech Tool Room Limited.

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

Internal Risk Factors

- We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.***

We face competition from various domestic and international players of varying sizes, operations and financial resources. We compete on the basis of service, quality, price and reliability. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographical reach, long-standing partnerships and may offer their customers other services that we may not be able to provide. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business

- Our Company, is a party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is a party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company, Promoter and Directors as on the date of this Letter of Offer, along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on February 10, 2023.

Litigations involving our Company

- Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-
Tax Proceedings	-	-
Proceedings involving material violations of statutory regulations by our Company	1	7.66
Labour Matters	-	-
Economic offences	-	-
Material civil litigations above the materiality threshold	-	-
Other civil litigation considered to be material by our Company’s Board of Directors	-	-

**To the extent quantifiable*

- Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	-	-
Other civil litigation considered to be material by our Company’s Board of Directors	-	-

**To the extent quantifiable*

Litigations involving our Promoters / Directors

- Cases filed against our Promoter / Directors:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the	-	-

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
part of our Company		
Tax Proceedings	-	-
Proceedings involving material violations of statutory regulations by our Company	-	-
Labour Matters	-	-
Economic offences	-	-
Material civil litigations above the materiality threshold	-	-
Other civil litigation considered material	-	-

**To the extent quantifiable*

iv) Cases filed by our Promoters / Directors:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	-	-
Other civil litigation considered material	-	-

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” on page 117 of this Letter of Offer.

3. *The Company had filed an application with the BIFR in the past.*

Our Company had filed an application under erstwhile SICA on 07/02/2003 vide proceedings of BIFR Bench-I in case No. 439/2002. The Scheme was approved on 08/01/2007 in the said case and our Company was discharged as a sick industrial company by the BIFR vide reference no. 439/2002 and the BIFR vide Order dated January 08, 2007 post which the face value of the shares of our Company was reduced to Rs.6/- per share. Our networth is now positive and we have also undergone a change in management recently and are confident of not being declared a sick company. For more details, please see “Our Business” on Page 56 of this Letter of Offer.

4. *In case we do not receive the minimum subscription, we will have to refund the entire subscription*

All our Promoters have not given an undertaking to subscribe to their entitlement and hence minimum subscription as stipulated in the SEBI (ICDR) Regulations, will be applicable. In case we do not receive the minimum subscription, we will have to refund the entire subscription.

5. *We are currently in tool and components manufacturing and supply them to our clients who operate in various industry segments and fluctuations in the performance of the industries in which our clients operate may result in a loss of clients, a decrease in the volume of work we undertake or the price at which we offer our services. Further, Our Company's business is dependent on few customers. Any loss of such customers or a significant reduction in purchases by such customers could also adversely affect our business, results of operations and financial conditions*

Our Company is currently engaged in the manufacturing tools and components For the FY ended March 31, 2022 and the nine month period ended December 31, 2022, our top ten customers contributed Rs 832.84 lakhs (99.78%) and Rs 619.73 lakhs, (99.54%) respectively and our top five customers contributed Rs 832.84 lakhs (99.78%) and Rs 619.73 lakhs, (99.54%) respectively towards our total sales Our business operations are highly dependent on our customers and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

A decline in our clients’ business performance may lead to a corresponding decrease in demand for our services. Furthermore, the volume of work performed for these clients may vary from time to time and We are also exposed to fluctuations in the performance of the industries in which our significant clients operate. Our clients may also decide to reduce spending on services due to a changing economic environment and other factors relating to the industry in which they operate. For instance, in this period of pandemic wherein all the industries are facing a slowdown and cash crunch due to the lockdown and travel restrictions imposed by several State Governments has

resulted in a widespread impact on the demand for our products. A loss of any of our significant clientele, a decrease in the volume of work our clients outsource to us or a decline in our prices may materially and adversely affect our business, operations, financial condition, results of operations and prospects.

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

We are exposed to counter party credit risk in the usual course of our business dealings with our clients who may delay or fail to make payments. For the Fiscal ending March 31, 2023 and 2022 our trade receivables were ₹ 5.51 lakhs and ₹ 104.62 lakhs respectively. Further, we had written off ₹.2.23 lakhs as bad debts during the year ended March 31, 2022.

The financial condition of our clients may be affected by the performance of their business which may be impacted by several factors including general economic conditions. For instance, the on-going pandemic has led to a slowdown in the economy which may have directly/ indirectly impacted the industries in which our clients' function. Due to the current scenario, we might be exposed to an increased risk of payment delays and/or defaults of payments. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our clients will be received in a timely manner or to that extent will be received at all. If any of our clients default in making its payments, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

7. *Our Company has not entered into any long-term contracts with any of its customers for sale of the finished products and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.*

Our Company has had long standing business relationships with various customers and has been supplying our product to such customers for several years. However, we have not entered into any contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our manufactured sugar product. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the quality of products that our Company provides, and the customer's inventory management. Although we place a strong emphasis on quality and timely delivery of our product, in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

8. *Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

Particulars	(₹ in lakhs)			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	Reviewed	Restated		
Net Cash Flow from/ (used in) Operating Activities	(130.49)	(28.42)	56.95	(17.36)
Net Cash Flow used in Investing Activities	3.10	(3.65)	7.29	12.34
Net Cash Flow used in Financing Activities	(2.19)	(0.02)	(0.02)	(0.04)

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

9. *As the securities of our Company are listed on Stock Exchange in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.*

The Equity Shares of our Company are listed on BSE and therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. Our Company endeavours to comply with all such obligations/reporting requirements any delay in complying with the same may result in the Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act / Rules and Regulations / Circulars made there under. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares. We have however, been in compliance with the SEBI Listing Regulations for the past 12 months and therefore, this Letter of Offer is prepared and submitted in terms of Part B of Schedule VI to the SEBI ICDR Regulations.

10. Our Equity Shares are currently under GSM Stage -2 on the BSE.

Our Equity Shares are currently placed under GSM Stage -2 by the BSE which indicates that the securities are placed under the trade-to-trade category with price band of 5% or lower as applicable and Additional Surveillance Deposit (ASD) of 50% of trade value to be deposited by the buyers.

11. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payment for the services provided by us, on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. All of these factors may result in an increase in receivables and short-term borrowings. Continued increase in working capital requirements may adversely affect our financial condition and results of operations. Moreover, we may require additional finance facility in the future to satisfy our working capital needs.

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

As of March 31, 2023 and March 31, 2022, we have entered into several related party transactions with our Promoter, individuals and entities forming a part of our promoter group, our Directors and the entities in which they hold directorships. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “Audited Financial Information- Annexure B –Note 28 “Related Party Disclosures” on page 85 of this Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

13. We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “Industry Overview” on page 51 of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

- 14. Our future fund requirements, in the form of further 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 further issue of Equity 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 favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

- 15. Our Registered Office cum Factory is located on a leased premises. Any failure on the part of the lessor to renew the lease agreement or any disruption of our rights as lessee or termination of the agreements with the licensors/lessors would adversely impact our business.**

The premises on which the registered office of the Company and the factory is situated is on a leased property. In the event the lease agreement is not renewed or we are unable to renew the lease agreement for the registered office and factory with the Lessor on terms which are agreeable to us, we may not be able to continue to use this premises as the registered office cum factory, which may in turn lead to disruption in the business and administrative operations of the Company having an adverse effect on our business. For further details regarding our leased premises, please refer to “Our Business – Leasehold Property” on Page 61 of this Letter of Offer

- 16. Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Loss of any of our directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.**

Our Company depends on the management skills and guidance of our Promoter and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our employees have been associated with our Company since a long period of time and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “Our Management” on 61 of this Letter of Offer.

- 17. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.**

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as, fire, riots and natural disasters. Presently, we have obtained certain policies such as standard fire and special perils policy, The said policies insure our building, furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, godown, meeting rooms, building superstructure, any other office contents from earthquake, fire, shock, terrorism, etc.; There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

18. *We have not been paying dividends in the past and our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. We have not paid dividends in the past and there can be no assurance that our Company will declare dividends in the future also.

19. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.*

As the issue size shall be less than ₹10,000 Lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. For further details, please refer to the chapter titled — “*Objects of the Issue*” on Page 43 of this *Letter of Offer*.

19. *We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.*

A number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers, or both. Although we devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, our security measures may not provide absolute security. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Company such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. A successful penetration or circumvention of the security of our systems could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and affect to our reputation, all of which could have a material adverse effect on us.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches, including any breach of our systems or by persons with whom we have commercial relationships that result in the unauthorized release of customers’ or businesses’ personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability.

20. *Failure to stay up to date with technological changes, as well as the uses and regulation of the internet, might be detrimental to our Company.*

The industry is very dynamic and fresh. We must keep up with changing technical breakthroughs, customer and small company usage habits, internet security threats, system failure or inadequacy hazards, and governmental regulation and taxation, all of which could have a negative influence on our entity.

If we are unable to adequately react to such developments, decreased demand for our products could result in a loss of revenues or a fall in profitability. The demand for our products could fall as a result of a variety of factors, including regulatory restrictions that limit customer access to specific products, the availability of competing or alternative

products, or changes in customers' financial circumstances, such as increases in income or savings. Our revenues could be severely reduced if we fail to adjust to a significant change in our clients' desire for, or access to, our products. Customers may refuse or reject products whose changes make them less appealing or less available, even if we make adjustments or launch new products to meet customer demand.

21. *The outbreak of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.*

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease could adversely affect our business / financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several containment measures such as travel bans and restrictions, quarantines and shutdowns. These measures may have an impact on the workforce and our operations and the operations of our customers. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may further cause significant economic disruption across India. The scope, duration and frequency of such measures could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian economy in general.

The COVID – 19 outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees and customers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak. The extent to which COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. The degree to which COVID-19 may impact our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or the ability to treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, loss of life, injuries and impact the wellbeing of our people.

EXTERNAL RISK FACTORS

22. *Other financial institutions or the Indian financial sector as a whole may have difficulties, which could hurt our operations.*

We are exposed to risks as a result of our involvement in the Indian financial system. Financial troubles and other issues confronting Indian financial institutions may have an impact on this sector. Several Indian financial institutions have had problems in recent years, and certain banks have also had major financial and liquidity problems. Any significant problem or volatility in the Indian financial system could lead to a negative market perception.

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

Our audited summary statements of assets and liabilities as at March 31, 2022 and audited summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Financial Year 2022 have been prepared in accordance with the Ind AS, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Audited Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian

GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

24. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

25. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

27. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

28. 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.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, 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.

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

30. 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 including wars amongst nations like the current Russia Ukraine conflict could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring 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.

ISSUE SPECIFIC RISKS

31. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

32. SEBI has by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 127 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

33. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

34. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if STT was paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on long-term capital gains arising from sale of equity shares. However, where specified conditions are met, such long-term capital gains are only taxed to the extent they exceed Rs. 100,000.00 and unrealized capital gains earned up to January 31, 2018, continue to be exempt. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity Shares.

35. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

36. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

Under the Companies Act, 2013, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior

to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

38. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

39. 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 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.

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

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

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of resolution passed by our Board on February 10, 2023, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Board at their meeting held on March 20, 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 127 of this Letter of Offer.

Rights Equity Shares being offered by our Company	1,41,96,000 Partly paid-up Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	Seven (7) Rights Equity Share for every Three (3) Equity Shares held on the Record Date
Record Date	April 03, 2024
Face Value per Equity Share	₹5 each
Issue Price	₹ 7 per Rights Equity Share (including a premium of ₹ 2 per Rights Equity Share). On Application, Investors will have to pay ₹ 1.75 per Rights Equity Share, which constitutes 25 % of the Issue price including premium and the balance shall be payable in the first and final call as decided by the Board of Directors
Issue Size	Upto 1,41,96,000 Partly Paid-up Equity Shares of face value of ₹ 5 each for cash at a price of ₹7 per Rights Equity Share up to an amount of 993.72 Lakhs
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari-passu</i> in all respects with the Equity Shares of our Company.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than three (3) Equity Shares or is not in multiples of three (3) the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Equity Shares issued, subscribed and paid up and outstanding prior to the Issue	60,84,000 Equity Shares issued subscribed and paid-up. For details, please see “Capital Structure” on page 38 of this Letter of Offer
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares)	Up to 2,02,80,000 Equity Shares
Security Codes for the Equity Shares	ISIN: INE079L01013 BSE Code: 522245
ISIN for Rights Entitlements	INE079L20011
Terms of the Issue	For details, please see “ <i>Terms of the Issue</i> ” on page 127 of this Letter of Offer.
Use of Issue Proceeds	For details, please see “ <i>Objects of the Issue</i> ” on page 43 of this Letter of Offer.

GENERAL INFORMATION

Our Company was originally incorporated as “Elcot-Hitech Toolroom Limited”, in the State of Tamil Nadu as a public limited company vide Certificate of Incorporation dated 29th day of August 1991 was issued by the Registrar of Companies, Tamil Nadu at Chennai under the provisions of the Companies Act, 1956. The name of our Company was subsequently changed from “Elcot-Hitech Toolroom Limited” to “Iykot Hitech Toolroom Limited” and a fresh Certificate of Incorporation consequent upon change of name and objects was issued by Registrar of Companies, Tamil Nadu, at Chennai on December 29, 2000 under the Companies Act, 1956. We are a joint venture company having been jointly promoted by Electronics Corporation of Tamil Nadu Limited (ELCOT), Mr S Iyempandi, Mr Nagercoil Subramania Pillai Kolappan, and their family members. The CIN Number of our company is L27209TN1991PLC021330.

Our Company has been acquired by Ms Annjana Dugar and Ms Likhitta Dugar in November 2022 post completion of all formalities under the SEBI Takeover Regulations.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Date of change	Details of change in the registered office
2005-2006	Change of the registered office address from P Elcot Avenue, Sholinganallur Chennai 600 119 to No: 19, Block – 1, Sidco Electronics Complex, Guindy, Chennai – 600 032, Tamil Nadu.
19/10/2022	Change of registered office address from. No: 19, Block – 1, Sidco Electronics Complex, Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu to 131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044, Tamil Nadu

Registered Office and Corporate Office of our Company

Iykot Hitech Toolroom Limited

131/2, Thiruneermalai Road,
Nagalkeni, Chromepet,
Chennai – 600 044, Tamil Nadu
Tel. No. +91 44-43162280
Email: info@iykot.com
Website: www.iykot.com
CIN: L27209TN1991PLC021330

Registrar of Companies

Our Company is registered with the Registrar of Companies, Tamil Nadu at Chennai at the following address:

Registrar of Companies, Chennai
Block No.6, B Wing 2nd Floor
Shastri Bhawan
26, Haddows Road,
Chennai – 600034; Tamil Nadu

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Letter of Offer:

Name	Age	Designation	Address	DIN
AnnjanaDugar	52	Non-Executive Director	1(3A), College Lane, Thousand Lights, Greams Road, Chennai, Tamil Nadu–600006	02189257
LikhittaDugar	27	Executive Director	1(3A), College Lane, Thousand Lights, Greams Road, Chennai, Tamil Nadu - 600006	09768742

Name	Age	Designation	Address	DIN
Velli Paramasivam	61	Independent Director	Priyadarshini Apartments, Flat B1, 10/154, N.M.K. Street, Ayanavaram, Chennai 600 023, Tamil Nadu	09766538
Syed Munnawar Hussain	61	Independent Director	No.48, Thiruvalluvar Salai, Kodungiyur, Chennai 600 118, Tamil Nadu	07939900
Suresh D R	37	Independent Director	2/3, Verasavakar Street, Ramana Nagar, Perambur, Chennai 600 011, Tamil Nadu	07706731

For detailed profile of our directors, please refer to the chapter titled “*Our Management*” on page 62 of this Letter of Offer.

Chief Financial Officer

Mr G Raghavendran is the CFO of our Company. His contact details are:

131/2, Thiruneermalai Road,
Nagalkeni, Chromepet,
Chennai – 600 044, Tamil Nadu
Tel. No. +91 44-43162280
Email: info@iykot.com
Website : www.iykot.com

Company Secretary and Compliance Officer

Mr P Udayakumar is the Company Secretary and Compliance Officer of our Company. His contact details are:

131/2, Thiruneermalai Road,
Nagalkeni, Chromepet,
Chennai – 600 044, Tamil Nadu
Tel. No. +91 44-43162280
Email: info@iykot.com

Details of Key Intermediaries pertaining to this Issue:

Registrar to the Company / Issue

CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No. 01, Club House Road,
Chennai- 600 002, Tamil Nadu, India.
Tel No: +91044 4002 0700/ 0710/ 2846 0390 **Facsimile:** N.A.
Email: cameo@cameoindia.com
Website: www.cameoindia.com
Investor grievance e-mail: investor@cameoindia.com
Contact Person: Sreepriya K.
SEBI Registration No.: INR000003753

Legal Advisor to the Issue

K V Bhashyam Chari
Advocate
Door No: 2/34, Plot No: 928 Sri Nagar
6th Cross Street. Kattupakkam
Chennai 600 056
Tamil Nadu, India
Tel No: 9940613330 / 9003020650
Email: charikvb@yahoo.co.in

Statutory and Peer Review Auditor of our Company

M/s. Vivekanandan Associates

(Chartered Accountants)

MNO Complex,
No:81, Greams Road
Thousand Lights
Chennai – 600 006

Email: nsmanians1954@gmail.com

Tel No: +91 44 2829 2272 / 73

Contact Person: Mr N Subramanian

Firm Registration Number: 005268S

Peer Review Certificate Number: 012055

Bankers to the Issue/ Refund Bank

ICICI Bank Limited

Capital Markets Division
5th Floor, HT Parekh Marg
Churchgate
Mumbai – 400 020

Tel No: +91 22 680 5212

Email : ipocmg@icicibank.com

Website: www.icicibank.com

Contact Person: Mr Varun Badai

SEBI Registration Number: INB100000004

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than ₹ 5,000.00 lakhs and hence there is no inter-se allocation of responsibilities

Expert Opinion

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

Our Company has received written consent dated July 01, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) Restated Audit Report dated July 01, 2023 on our Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and (ii) Statement of Special Tax Benefits dated July 01, 2023 in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “Expert” shall not be construed to mean an “Expert” as defined under the Securities Act, 1933.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As this is a Rights Issue of Equity Shares, credit rating is not required.

Debenture Trustees

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

Monitoring Agency

Since the size of the issue is less than Rs.10,000 lacs, under Regulation 82 of the SEBI ICDR Regulations, a monitoring agency is not required to be appointed by our Company.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Changes in Auditors during the last three years

There has been no change in the Statutory Auditor of our Company in last three years immediately preceding the date of this Letter of Offer.

Underwriting Agreement

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	Wednesday April 24, 2024
Last Date for On Market Renunciation of Rights	Tuesday, April 30, 2024
Issue Closing Date*	Wednesday, May 08, 2024

** The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

The above schedule is indicative and does not constitute any obligation on our Company

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., Wednesday, May 08, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat

suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, being Wednesday, May 08, 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “Terms of the Issue” on page 127 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue

Minimum Subscription

Ms Anjanna Dugar and Ms Likhitta Dugar, our Promoters, have vide letter dated February 10, 2023, (“**Subscription Letter**”), confirmed that that they intend to subscribe jointly and / or severally, (a) to the full extent of their Rights Entitlements, any rights entitlement renounced in their favour by other promoters or members of the promoter group and (b) to any unsubscribed portion in the proposed rights issue. Electronics Corporation of India Limited (ELCOT) and the other promoters, Mr Siddharth Nandulal, Mr Sunil Chandrakant, Mr Rajapandian, Mr Lakshmanan, Mr Balasubramanian, Mr Ramkumar S R, Ms Rajalakshmi I and Mr Pandya K V have not given any undertaking to subscribe to their rights entitlement, to any shares renounced in their favour or to any unsubscribed shares in the rights issue. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue. For further details, please refer title ‘Intention and extent of participation by our Promoters and Promoter Group’ on page 38 of this Letter of Offer. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

CAPITAL STRUCTURE

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

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	2,20,00,000 Equity Shares of face value of ₹ 5 each	1100.00	NA
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	60,84,000 Equity Shares of face value of ₹ 5 each	304.20	NA
C.	Present Issue in terms of this Letter of Offer ⁽¹⁾		
	1,41,96,000 Equity Shares of face value of ₹ 5 each ⁽²⁾⁽³⁾	709.80	993.72
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue ^{(4)*}		
	2,02,80,000 Fully Paid Equity Shares of face value of ₹ 5 each	1014.00	NA
E.	Securities Premium Account		
	Before the Issue (as on March 31 2022)	0.00	
	After the Issue ⁽⁴⁾	283.92	

^{(1) & (2)} The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated February 10, 2023.

⁽³⁾ On Application, Investors will have to pay ₹ 1.75 per Rights Equity Share which constitutes 25 % of the Issue Price and the balance has to be paid in the first and final call to be decided by the Board of Directors.

⁽⁴⁾ Assuming full subscription for and Allotment of the Rights Equity Shares.

*Subject to finalisation of Basis of Allotment, Allotment, Receipt of all call monies and deduction of estimated Issue related expenses.

NOTES TO CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our promoters Ms Anjanna Dugar and Ms Likhitta Dugar intend to subscribe jointly and / or severally, (a) to the full extent of their Rights Entitlements, any rights entitlement renounced in their favour by other promoters or members of the promoter group and (b) to any unsubscribed portion in the proposed rights issue. Electronics Corporation of India Limited (ELCOT) and the other promoters, Mr Siddharth Nandulal, Mr Sunil Chandrakant, Mr Rajapandian, Mr Lakshmanan, Mr Balasubramanion, Mr Ramkumar S R, Ms Rajalakshmi I and Mr Pandya K V have not given any undertaking to subscribe to their rights entitlement, to any shares renounced in their favour or to any unsubscribed shares in the rights issue.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ 13.00 per equity share.
3. At any given time, there shall be only one denomination of the Equity Shares of our Company.
4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. For details on the terms of this Issue, see “Terms of the Issue” on page 127 of this Letter of Offer.

5. Shareholding Pattern of our Company as per the last filing with the Stock Exchange:

The summary statement of the shareholding pattern of our Company as on December 31, 2023, is as follows

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	13	35,00,800	0	0	35,00,800	57.54	35,00,800	35,00,800	57.54	0	0	0	0	0	0	32,68,360
(B)	Public	6,726	25,83,200	0	0	25,83,200	42.46	25,83,200	25,83,200	42.46	0	0	0	0	0	0	7,60,760
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		6,739	60,84,000	0	0	60,84,000	100.00	60,84,000	60,84,000	100.00	0	0	0	0	0	0	40,29,120

i. The statement of the shareholding pattern of our Company as on December 31, 2023 is as follows:

Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(A) Promoter & Promoter Group	13	35,00,800	35,00,800	57.54	35,00,800	57.54	32,68,360
(B) Public	6,726	25,83,200	25,83,200	42.46	25,83,200	42.46	7,60,760
Grand Total	6,739	60,84,000	60,84,000	100.00	60,84,000	100.00	40,29,120

ii. Statement showing holding securities of persons belonging to the category Promoters and Promoter Group” as at December 31, 2023:

Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
A1) Indian							
a. Individuals/ Hindu Undivided Family	11	16,94,800	16,94,800	27.85	16,94,800	27.85	16,94,800
P Annjana Dugar		15,16,122	15,16,122	24.92	15,16,122	24.92	15,16,122
Likhitta Dugar		1,65,758	1,65,758	2.72	1,65,758	2.72	1,65,758
Siddharth Nandulal		3,600	3,600	0.06	3,600	3,600	0
Sunil Chandrakant		3,000	3,000	0.05	3,000	3,000	0
Rajapandian S		1,200	1,200	0.02	1,200	1,200	0
Lakshmanan L		120	120	0.00	120	120	0
Balasubramanion R		120	120	0.00	120	120	0
Ram Kumar S R		120	120	0.00	120	120	120
Padam Dugar		100	100	0.00	100	0.00	100
Antariksh Dugar		100	100	0.00	100	0.00	100
Rajalakshmi Velrajan		4,560	4,560	0.07	4,560	0.07	4,560
b. Central Government / State Government	1	15,81,600	15,81,600	26.00	15,81,000	26.00	15,81,000
Electronics Corporation of Tamil Nadu		15,81,600	15,81,600	26.00	15,81,000	26.00	15,81,000
Sub- total of A1	12	32,76,400	32,76,400	53.85	32,76,400	53.85	32,76,400
A2) Foreign	1	2,24,000	2,24,000	3.69	2,24,000	3.69	0
K V Pandya		2,24,000	2,24,000	3.69	2,24,000	3.69	0
Sub-total of A2	-	2,24,000	2,24,000	3.69	2,24,000	3.69	0
A= A1+ A2	13	35,00,800	35,00,800	57.54	35,00,800	57.54	32,68,360

iii. Statement showing holding of securities of persons belonging to the "public" category as on December 31, 2023:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (Calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
B1) Institutions							
Banks	1	13,440	13,440	0.22	13,440	0.22	0
B2) Central Government/ State Government(s) / President of India	-	-	-	-	-	-	-
Sub Total B2	-	-	-	-	-	-	-
B3) Non-Institutions							
Individual share capital up to ₹ 2 Lakhs	6,666	23,08,320	23,08,320	37.94	23,08,320	37.94	5,82,000
Individual share capital in excess of ₹. 2 Lakhs	4	1,88,513	1,88,513	3.10	1,88,510	2.63	1,38,353
Any Other							
IEPF	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-
Non-Resident Indian (NRI)	12	8,371	8,371	0.14	8,371	0.14	8,371
Clearing Members	1	1	1	0.00	1	0.00	1
Bodies Corporate	18	40,008	40,008	0.66	40,008	0.66	7,488
HUF	25	24,548	24,548	0.40	24,548	0.40	24,548
Sub-total B3	6,725	25,69,760	25,69,760	42.24	25,69,760	42.24	7,60,760
B= B1+B2+B3	6,726	25,83,200	25,83,200	42.46	25,83,200	42.46	7,60,760

iv. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges: i.e. as on December 31, 2023

S. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Electronics Corporation of Tamil Nadu	15,81,600	26.00
2.	P Annjana Dugar	15,16,122	24.92
3.	K V Pandya	2,24,000	3.69
4.	Likhitta Dugar	1,65,758	2.72

v. *Details of shares locked-in, pledged, encumbrance by the Promoters and the Promoter Group:*

As on date of this Letter of Offer, none of the shares held by the promoter are locked-in

vi. *Details of shares acquired by Promoters and Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer:*

S. No.	Name of the Promoter and Promoter Group	Number of shares acquired	Mode of Acquisition	Date
1	P Annjana Dugar	15,16,122	Share Purchase Agreement pursuant to which open offer was made under the SAST Regulations 2011	13/10/2022, 17/10/2022, 18/10/2022, 19/10/2022,
2	Likhitta Dugar	1,65,758	Share Purchase Agreement pursuant to which open offer was made under the SAST Regulations 2011	14/11/2022 and 16/11/2022

6. Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. To augment our capital base and meet our working capital requirements.
2. General corporate purposes.

(Collectively, referred to hereinafter as the “Objects”)

We intend to utilize the gross proceeds raised through the Issue (the “Issue Proceeds”) after deducting the Issue related expenses (“Net Proceeds”) for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue from the Net Proceeds.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue	993.72
Less: Issue related expenses	50.00
Net Proceeds from the Issue	943.72

Requirement of Funds

The details of the Gross Proceeds are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
To augment our capital base to meet our working capital requirements	700.00
General Corporate Purposes	243.72
Issue related expenses	50.00
Gross proceeds from the Issue	993.72

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that 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 amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during the Financial Year 2023-2024.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein. Subject to applicable law, if the actual utilisation towards issue expense is lower than the stated above, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals We believe

that such alternate arrangements would be available to fund any such shortfalls. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects.

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see “Risk Factor No: 19 – *“The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue” .”* on page 25 of this Letter of Offer.

Details of the Objects of the Issue

1. Augmenting our Working Capital Requirements

We fund a majority of our working capital requirements in the ordinary course of business from internal accruals. We propose to utilise ₹ 700.00 Lakhs from the Net Proceeds of the Issue to fund the working capital requirements of our Company in the Financial Year 2023-2024.

Basis of estimation of long-term working capital requirement

The details of our Company’s working capital as at March 31, 2020, March 31, 2021 and March 31, 2022, derived from the restated financial statements, and source of funding of the same are provided in the table below. Our expected working capital requirements for FY 2024 and the proposed funding of such working capital requirements are as set out in the table below:

Particulars of Assets	2020-21	2021-22	2022-23	2023-24	2024-25
	Audited	Audited	Audited	Estimated	Projected
Current Assets					
Inventories	64.62	30.87	8.23	13.17	500.00
Trade Receivables	126.84	139.78	40.31	46.36	165.00
Other Current Assets	18.77	7.82	9.04	10.49	145.00
Total (A)	210.23	178.47	57.58	70.02	810.00
Current Liabilities					
Trade Payables	47.67	40.70	9.89	11.90	85.00
Other Current Liabilities & advances	23.42	27.02	9.83	6.90	25.00
Total (B)	71.09	67.72	19.72	18.46	110.00
Net Working Capital (A)-(B)	139.14	110.76	37.86	51.56	700.00
Sources of Working Capital					
i. Fund Based Borrowing	-	-	-	-	0.00
ii. Internal Accruals / Other Borrowings	139.14	110.76	37.86	51.56	0.00
iii. Rights Issue Proceeds	NA	NA	NA	NA	700.00

Assumption for future working capital requirements:

(No. of Days)

Particulars	Holding level as on March 31,2020 (Audited)	Holding level as on March 31,2021 (Audited)	Holding level as on March 31,2022 (Audited)	Holding level as on March 31, 2023 (Estimated)	Holding level as on March 31, 2024 (Estimated)
Current Assets					
Inventories	28	41	34	35	40
Advances	-	-	-		
Trade Receivables	59	71	58	55	60
Current Liabilities					
Trade Payables	33	36	32	33	35

Justification for “Holding Period” levels:

The justifications for the holding levels mentioned in the table above are provided below:

Current Assets	
Inventories	Our Company’s inventories primarily consist of materials. Our company has assumed the holding level for inventories as 40 days of purchases. Inventory levels have been estimated in line with the current holdings and the projected level of activity.
Trade Receivables	Our Company has assumed the holding levels for trade receivables as 60. days on the basis of the previous holdings for receivables.
Current Liabilities	
Trade Payables	Our trade payables have a direct correlation to our business growth. Holding level for trade payables is assumed as 35 days which is line with the past levels and the projected operations for FY 2023-24.

Our Board pursuant to its resolution dated February 10,2023 has approved the projected working capital requirements for Fiscal 2023 and Fiscal 2024 and the proposed funding of such working capital requirements.

Interest of Promoters and Directors in the objects of the Issue

Our promoter and directors are not interested in any of the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

2. General Corporate Purposes

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Undertaking by our Promoter

Our Promoters, Ms Annjana Dugar and Ms Likhitta Dugar have undertaken to: (a) subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group; and (b) subscribe to, either individually or jointly, with the Promoter or member of the Promoter Group, for Additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 13.00 per share.

Deployment of funds

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2024.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount (Rs. In Lakhs)	As a percentage of total expenses	As a percentage of Issue size*#
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	25.00	50.00	2.52
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	15.00	30.00	1.51
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	10.00	20.00	1.01
Total estimated Issue expenses ^{*^}	50.00	100.00	5.02

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.*

^Excluding taxes

#Assuming full subscription

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds towards the stated Objects of the Issue, our Company shall not use / deploy the Net Proceeds for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lacs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Other confirmations

No part of the Net Proceeds of the Issue will be paid by our Company to our Promoters, our Promoter Group, our Directors or Key Managerial Personnel.

Our Promoters, our Promoters Group and our Directors do not have any interest in the objects of the Issue.

There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Promoter Group, our Directors and our Key Managerial Personnel.

STATEMENT OF TAX BENEFITS

VIVEKANANDAN ASSOCIATES
Chartered Accountants

M.N.O. Complex 81, Greams Road, Chennai 600 006
Tel: 2829 2272/ 73; Email: nsmanians1954@gmail.com



STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO IYKOT HITECH TOOLROOM LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS

Date: July 01, 2023

To

The Board of Directors
Iykot Hitech Toolroom Limited
Chennai 600044

Sub: Statement of possible special tax benefits available to Iykot Hitech Toolroom Limited and its shareholders under the Indian tax laws.

1. We hereby confirm that the enclosed Annexure-A prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexure-A under:

- The Income tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India; and
- The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 applicable for the Financial Year 2023-24.

The Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Relevant Acts"

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling of such conditions which, based on business imperatives the Company face in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexure-A are not exhaustive and the preparation of the contents stated in the Annexure-A is the responsibility of the management of the Company. We are informed that these Annexure-A are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed right issue by the company.



VIVEKANANDAN ASSOCIATES

Chartered Accountants

M.N.O. Complex 81, Greams Road, Chennai 600 006
Tel: 2829 2272/ 73; Email: nsmanians1954@gmail.com



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

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

5. The contents of the enclosed Annexure-A are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This Statement is issued solely in connection with the proposed right issue of face value Re 10 each of the Company and is not to be used, referred to or distributed for any other purpose.

For VIVEKANANDAN ASSOCIATES

Chartered Accountants

Firm's Reg. No: 005268S



N. SUBRAMANIAN

Membership No: 21628

Place: Chennai



SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 19 and 74 of this Letter of Offer respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 19 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.

Indian Economy

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

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

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

(Source : www.ibef.org)

Global Tool Room Industry

The global tooling market reached a value of US\$217.3 billion in 2021. Looking forward, the market is expected to reach a value of US \$ 339.1 Billion by 2027 exhibiting a CAGR of 7.20% during 2022-27.

Tooling refers to the process of developing and engineering tools that are required for manufacturing different parts of machines. It comprises dies, sheet metal, work holding and cutting tools, forging and extrusion machines, and welding and inspection fixtures. It helps machines function properly, repeat results and reduce man-hours. In addition, it delivers finished products within a specific tolerance that cannot be broken and degraded easily. Besides this, it allows manufacturers to provide high-quality and customized products while keeping production costs low.

Tooling Market Trends:

At present, there is a rise in the adoption of tooling in the manufacturing industry to produce parts of numerous machines. This, along with a considerable reliance on electrical devices for carrying out everyday tasks easily and conveniently, represents one of the key factors driving the market. Moreover, there is an increase in the customization of moulds and dies that are used in automotive engines, fuel tanks, turbines, propellers, and shafts. This, coupled with the increasing renewable energy systems, such as wind power energy generation, solar energy generation, and hydro-electricity plants, is impelling the market growth. In addition, the rising automation and growing popularity of artificial intelligence (AI) technology are augmenting the adoption of tooling worldwide. Besides this, the burgeoning plastic industry and new developments in biodegradable polymer material are offering a positive outlook to industry investors. Additionally, the escalating demand for light commercial vehicles (LCVs) around the world on account of the inflating global oil prices is positively influencing the market. Furthermore, key market players are focusing on different varieties of tool production in the automotive industry. They are also focusing on expanding their product portfolio to offer more economical products.

Based on the product type, the global tooling market has been segmented into dies and moulds, forging, jigs and fixtures, machine tools and gauges. Currently dies and moulds hold the majority of the total market share. The global tooling market, based on the end use industry, can be divided into automotive, electronics and electrical, aerospace, marine and defence, plastics industry, construction and mining and others. Among these, the automotive industry exhibits a clear dominance in the market.

Some of the major players in the global tooling market include Agathon AG, Bharat Forge Limited, Carlson Tool & Manufacturing Corp., Doosan Machine Tools Co. Ltd. (DTR Automotive), Godrej & Boyce Manufacturing Co. Ltd., Omega Tool Corp, Samvardhana Motherson Group, Sandvik AB, Siemens AG, Stratasys Direct Inc., Unique Tool & Gauge Inc., and Yamazaki Mazak Corporation.

(Source :<https://www.imaregroup.com/tooling-market>)

Indian Tool Room Industry

The Indian tool room industry consists of commercial tool makers engaged in design, development and manufacturing of tooling in the country. In addition to commercial tool makers, several Government toolrooms –cum-training centers are also operating. The key tool room locations are Mumbai, Bengaluru, Chennai, Pune, Hyderabad and Delhi NCR.

(Source :www.heavyindustries.gov.in)

The dies and moulds market in India is fragmented due to the presence of a large number of vendors. The influx of international payers that offer high-quality products has increased the competition in the market. Hence, regional players are focusing on increasing their foothold in the market by offering products at comparatively lower-costs than international players. Some vendors are incorporating CAD/CAM software as well as automation technologies to gain a competitive advantage. Vendors are also adopting inorganic growth strategies such as mergers and acquisitions to remain competitive in the market.

The die and mould industry in India has evolved over the years and is currently enjoying a significant position in the global manufacturing landscape. An insight into the industry that is keeping pace with the time and redefining quality and precision. The die and mould industry of the country has undergone an awe-inspiring transformation. Capable of catering to a variety of specific demands from a number of booming sectors including Automotive, Plastic, Electronics and Electrical, Healthcare, and Machine Tools, the industry finds itself brimming with opportunities.

Indian tooling industry is estimated to grow up to ₹26,000 crore in value by 2025 on the back of strong growth in key end-user segments but government support and intervention is required on many forefronts to augment tooling ecosystem in India, according to a report by NRI Consulting and TAGMA. The inverted duty structure, challenges in access to finance and lack of skilled workforce are some of the key challenges ahead of the industry and it needs government support to address these hurdles, said the Indian Tool Room Industry by Nomura Research Institute Consulting & Solutions India Pvt. Ltd (NRI Consulting) and TAGMA (Tool and Gauge Manufacturers Association).

As per the report, the market size of tool room industry in India is estimated to be around ₹18,000 crore with around 70% of demand being met domestically and approximately 30% from imports. It further said that tooling imports into India are about five times the exports from the country by value with China and Korea accounting for almost 40% of the total tooling imports. Captive tooling supply has not changed much in the last two years but imports have captured a larger portion of incremental demand than commercial tool rooms.

Commenting on the total tooling demand expectations over the next five years, the report said: “Indian tool room industry is estimated to grow to ₹25,000 crore to ₹26,000 crore in value by 2025 on back of strong growth in key end user segments.”As per the report, in terms of key end-users of the Indian tool room industry, the automotive segment is expected to grow 8%, consumer durables 9%, plastics 12%, electronics 14% and electrical by 21% over the next five years.

Calling for government intervention, the report said rationalisation of duty structure is needed to ensure imported finished tools incur more duty than imported raw materials and standard components. Also, reduction in import duty on raw materials and components will aid in enhanced cost competitiveness, it said adding concession in import duty (around 8%) or complete waiver on machinery required for press tools will be of immense help to tool rooms.

On the issue of lack of skilled manpower, the report by NRI Consulting and TAGMA highlighted the need for revising curriculum in tool training institutes and introducing advanced courses on tool engineering. While suggesting technical tie up and collaboration with overseas tool rooms/training institutes for sharing knowledge and best practices, the report also called for setting up dedicated R&D institutes specific to the die and moulds sector and incentivising R&D spend in tool rooms.

(source : <https://www.hindustantimes.com/business-news/indian-tooling-industry>)

Plastic Injection Moulding

The Plastics Injection Moulding Market is growing at a CAGR of >3.5% over the next 5 years. Additionally, demand for plastic injection moulding is anticipated to be strengthened by the growing residential construction sector in the country. The Indian government, in its Union Budget 2022-23, allocated INR 48,000 crores (USD 6.44 billion) for its 'PM Aawas Yojana' scheme, reiterating its commitment to implementing 'Housing for All' which aims to build 80,00,000 affordable housing units for the urban and rural poor in FY 2022-23. The India injection moulding machine market size is anticipated to expand at a compounded annual growth rate (CAGR) Compound Annual Growth Rate of 6.1% from 2022 to 2030. The Global Plastic Injection Moulding Market Size accounted for USD 271.6 Billion in 2021 and is estimated to achieve a market size of USD 419.1 Billion by 2030 growing at a CAGR of 5% from 2022 to 2030.

Benefits of Plastic Injection Moulding:

- 1) Plastic injection moulding is a very versatile method of manufacturing parts and products. It is extremely simple, reliable, and an efficient method over other methods of plastic moulding.
- 2) The injection moulds are subjected to extremely high pressure which makes it possible to add a large amount of complex shapes and details into the design. These geometrical designs otherwise would have been too complicated to manufacture.
- 3) The plastic injection moulding process takes less time which allows more parts to be manufactured from a single mould. The high production output rate makes plastic injection moulding cost-effective and efficient.
- 4) One of the major advantages of using plastic injection moulding is the use of co-injection moulding which makes it possible to use different types of plastic.
- 5) Plastic injection moulding is an automated process. It is carried out by robotics which acts as a sole operator to control and manage the process. This minimizes manufacturing costs, as the overheads are considerably reduced.
- 6) With abundant R & D into this space, plastic injection moulding today is an environment-friendly process. The scrap plastic generated during the production process is reground and re-used, ensuring that the process generates very little waste.

Typical Products Made with Plastic Injection Moulding

Plastic bottles are the most common product manufactured by the billions each year, ranging in multiple shapes and sizes. Typically, the plastic bottles used to hold potable water and other drinks are made from polyethylene terephthalate (PET), because the material is both strong and light.

Electronic housings are also quite commonly fabricated with injection moulding services. Used in devices such as remote controls, computers, televisions, medical equipment, and other consumer electronic components, housings are all produced by injection moulding process. Injection moulding services can manufacture any custom plastic enclosures for practically any application and sizes.

Toys: Imagine a building material which is lightweight, durable, and doesn't corrode; it comes in many sizes and colours and is designed for easy precise assembly. The Lego brand of building block recognized by all is made of firmer plastic granules which are heated until liquefied and then injected into metal moulds in which the plastic cools and solidifies into a studded brick or other shape. But what's important is that each brick and component is accurately moulded so they'll all fit together. It's a precision product available in many colours, shapes, and sizes.

Household: Moulded closures, containers, components, and drink ware are just a few of the common items that can be custom fabricated with injection moulding.

Commercial Construction:

- Conduits for Concrete Beams
- Insulators
- Raised Flooring Panels

Residential Construction:

- Roofing Vents
- Railing Gaskets
- Deck Fasteners

Consumer Goods:

- Skateboard Storage Racks
- Barbecue Accessory
- Bird Feeder
- Tackle Boxes
- Toilet Seats

Toys and Hobbies:

- High-end Collectible Models

- Decorated Children's Furniture

POP (Point of Purchase):

- Spring-loaded Supermarket Display Tray
- Literature Display Rack

Food Service:

- High-Temperature Serving Pans
- Bread Trays
- NSF Food Service Products

Injection moulds must have a high precision match between the two mould halves in order to perfectly control the material flow. Creating the mould is crucial to building a seamless, precision product. Injection moulds are typically constructed using steel or aluminum, and precision machined to form the features of desired product.

The injection moulding process is fairly repetitive once a functional, errorless mould has been produced. It also has a low scrap rate relative to other manufacturing processes such as CNC machining which cut away considerable portions of the original material blank in a subtractive process.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 19 of this Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 75 and 98, respectively of this Letter of Offer, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

The Company was incorporated on the April 29, 1991 as "Elcot Hitech Toolroom Limited" and the name was subsequently changed to Iykot Hitech Toolroom Limited on December 29, 2000 vide a fresh Certificate of Incorporation from the Registrar of Companies, Tamil Nadu at Chennai.

Our Company was referred to the BIFR vide reference no. 439/2002 and the BIFR vide Order dated January 08, 2007 while discharging the Company as a Sick Industrial reduced the face value of the shares of the Company to ₹ 6 per share. The Shareholders of the Company thereafter vide special resolution reduced the face value of the shares of the Company to ₹5 per share on September 26, 2007.

Our Company was originally promoted as a Joint Venture Company by Electronics Corporation of Tamil Nadu (ELCOT) and Mr S Iyempandi and Mr Nagercoil Subramania Pillai Kolappan and their family members. On on July 12, 2022, Ms Annjana Dugar and Ms Likhitta Dugar, the present promoters entered into a Share Purchase Agreement for acquisition of 16,84,580 (Sixteen Lakh Eighty Four Thousand Five Hundred and Eighty) equity shares representing 27.69% of the paid up and voting equity share capital of Iykot with Mr S Iyempandi. Mr Nagercoil Subramania Pillai Kolappan, Ms Suseela Iyempandi,, Ms Sornalatha Usha, Ms Karthiga, K, Ms Rajalakshmi I, Mr Aravind K, Hitech Computers and Systems Private Limited, Mr Ramkumar S R, Mr S Aravindan, Ms Kanthimathi, Mr Ammaiyappan, Mr Poornalingam and Mr Chetan Pandya. Ms Annjana Dugar and Ms Likhitta Dugar made a public announcement to acquire 15,81,840 (Fifteen Lakhs Eighty One Thousand Eight Hundred and Forty) fully paid up equity shares of the Company constituting 26% of the fully paid-up equity capital of the Company. The acquisition was completed on November 16, 2022 and they were appointed as directors on the Board of Directors of our Company. The Board has since been reconstituted and the erstwhile promoters are no longer associated as Directors or Key Managerial Personnel with the Company.

Our Business

We are one of the leading designers and manufacturers of injection moulds in India. We also supply injection-moulded components for a variety of industries including automotive and consumer products. we have successfully designed and manufactured multi-cavity high precision injection moulds for use in machines of size up to 1500 tons. Our facility is located at 131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044 Tamil Nadu, India

We have installed high precision CNC Milling Machines and Spark Erosion machines to manufacture moulds upto 8 tons. Our Injection Moulding facility has one of the highest range of machines from 220 Tons to 1500 Tons. We offer the following services:

- Design and Manufacturing of Injection Moulds upto 8 Tons.
- Moulding Plastic components from 200 gms to 4000 gms
- Sub-Assembly

We have been manufacturing for various kitchen appliances and home appliances under job work. Since we have the necessary expertise, we have decided to launch the products under our own kitchen appliances and home appliances like tower fan, induction stove, mixer grinder etc. The name of the brand that has been chosen is Zada Star which is currently registered and owned by Mr Padam Dugar, who is a relative of the promoters and Directors Ms Annjana Dugar and Ms Likhitta Dugar.

Some of the products manufactured by our Company and those which are outsourced through contract manufacturers are currently being sold under this brand. We intend to expand and include more products under this brand in the near future.

OUR COMPETITIVE STRENGTHS

1. Work simultaneously with our business partners in Europe and USA

We work simultaneously with companies based in the USA or Europe. If a company is based in the US or Europe, we work on the product details or 3D conversion while our business partner is finalizing certain portions of the core design. Depending upon the project, We can also do round the clock design. Due to the time difference between US/Europe and India, Indian designers can start work on a portion of the design after US designers leave for the day and have it ready the next day morning for the US designers to continue the work.

2. Experience

We have about 15 years of experience building injection moulds. Over the past 15 years we have built moulds of varying sizes and complexity to the satisfaction of our customers. Such a breadth of experience enables us to be very strong in all areas of injection moulding components for both automotive and commercial uses.

3. Competitive Lead-times

We build many of our tools under competitive lead-times, which is one of our main strengths. As we have in-house injection moulding facility, we can take tool trials in a matter of hours - without losing time in transportation and queuing - contributing to the shorter lead-times.

4. Advanced Machining facility

We can make close tolerance injection moulds components with state of the art high precision machines from Germany and Switzerland. Because we have our own integrated Toolroom, we can keep the uptime of our customer's moulds almost close to 100%. If there is an issue on the moulds that we are running, we can quickly correct or replace a part and re-start production in a matter of hours.

Subsidiaries

We do not have any subsidiaries as on the date of this Letter of Offer.

Our Business Strategies

1. Expanding our Product Range

Since the Chinese market has dried up completely, we intend to venture into the toys market in a big way. We also intend to manufacture Industrial Electrical Circuit Boards. We also propose to tap the middle class and lower middle class by producing products for tower fans, mixies and induction stoves. We also intend to sell the products under the brand name Zada Star.

2. Explore possibilities of geographical expansion

Our Company is currently situated in Chennai, Tamil Nadu and caters to the needs of the customers in the state of Tamil Nadu. We intend to explore other geographical locations like the North Eastern States, other cities like Bengaluru, Hyderabad and small international markets like Bangladesh and Sri Lanka.

3. Introducing our own Brand

We currently execute the orders on a contract basis wherein our products are used by other manufacturers. We propose to introduce our own brand Zada Star and market our products under the brand independently in the market.

4. Augment our fund-based capacities in order to scale up business operations

We believe that companies with high liquidity on their balance sheet would be able to better negotiate with our sales orders. With the proceeds from the rights issue we intend to increase our manufacturing capabilities and profitability in the near future.

RAW MATERIALS

The most commonly used injection moulding raw materials are ABS, polyethylene, polypropylene, Nylon-PA6/PA66, polystyrene-PS, polycarbonate-PC, TPE, etc. Our Company purchases all our required sugarcane directly from the vendors. Further, our Company has and will continue to maintain good relations with the vendors which ensures uninterrupted supply of raw materials to our factory.

PLANT AND MACHINERY

Our factory is equipped with various machinery, technology and equipment for the purpose of carrying out the manufacturing process effectively and efficiently. The Company has undertaken the modernization of the technology from time to time to adopt the latest technology in the manufacturing process for both automotive and commercial plastic components.

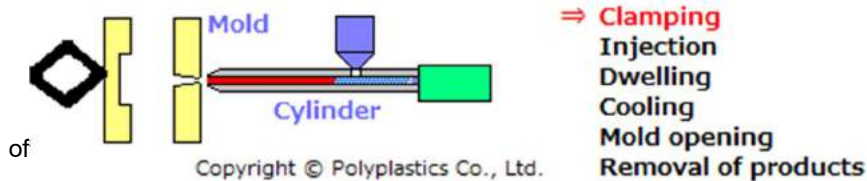
PROCESS

1. INJECTION MOULDING:

Plastic injection moulding is a manufacturing process used in the mass fabrication of plastic parts. It involves an injection of molten plastic material into the mould where it cools and solidifies to its final form. Injection moulding uses a special-purpose machine that has three parts: the injection unit, the mould and the clamp. Parts to be injection-moulded must be very carefully designed to facilitate the moulding process; the material used for the part, the desired shape and features of the part, the material of the mould, and the properties of the moulding machine must all be taken into account. The versatility of injection moulding is facilitated by this breadth of design considerations and possibilities.

The process of injection moulding is divided into 6 major steps as shown below.

1. Clamping
2. Injection
3. Dwelling
4. Cooling
5. Mould opening
6. Removal of products



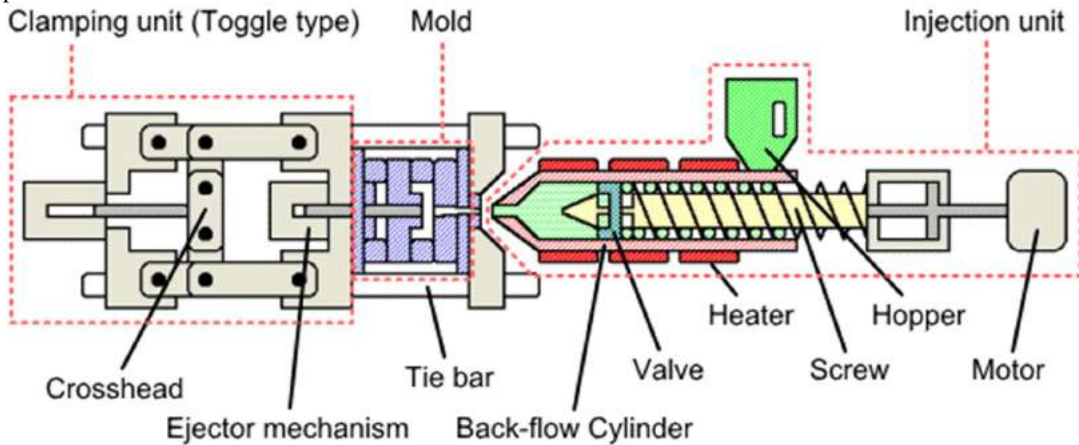
The process is proceeded as shown above and products can be made successively by repeating the cycle.

3. INJECTION MOULDING MACHINE:

Injection moulding machine is divided into 2 units i.e. a clamping unit and an injection unit. The functions of the clamping unit are opening and closing a die, and the ejection of products. There are 2 types of clamping methods, namely the toggle type shown in the figure below and the straight-hydraulic type in which a mould is directly opened and closed with a hydraulic cylinder. The functions of the injection unit are to melt plastic by heat and then to inject molten plastic into a mould.

The screw is rotated to melt plastic introduced from the hopper and to accumulate molten plastic in front of the screw (to be called metering). After the required amount of molten plastic is accumulated, injection process is started.

While molten plastic is flowing in a mould, the machine controls the moving speed of the screw, or injection speed. On the other hand, it controls dwell pressure after molten plastic fills out cavities. The position of change from speed control to pressure control is set at the point where either screw position or injection pressure reaches a certain fixed value.



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• **Common Injection Moulded Household Products –**

- Any Mirror door
- Any Milk Crates
- Any Toy car components including car body
- Any Vegetable Crate
- Any Chair parts including inner / outer components
- Western Toilet Lids

White good products body and some parts(non mechanical& electrical)

- Geysers
- Air conditioners
- Mixes, grinders
- Air coolers
- Washing machine

OUR MAJOR CUSTOMERS

Our major customers (Top 10 and Top 5 Customers) contributed the following to sales in the last three years i.e. FY 2019-20, FY 2020-21 and FY 2021-22 are mentioned below:

(in Rs.)

Sl. No.	Name of the Customer	FY2019-20	FY2020-21	FY 2021-22
1	Top 10 Customers	71245559	61972718	83283558
2	Top 5 customers	71245559	61972718	83283558

UTILITIES

Power

Our manufacturing units receive its power supply mainly Tamil Nadu Electricity Board (TNEB) to carry out our manufacturing process. This is adequate to meet the power requirements of our manufacturing process. In addition

to the above, our manufacturing units also have back up diesel power generation units to supply power in case there is a shutdown.

Fuel

Our Company does not require fuel for its manufacturing process excepting power backup genset which runs on diesel. The requirement of diesel fuel, about 200 litres per month is met locally from nearby petrol bunk.

Water

We require water for machine and mould cooling purpose with recirculation facility. We also require water for sanitation purpose. The water requirement for this recirculation & sanitation purpose is met both from borewells in our manufacturing units.

Drinking water

We provide drinking water by procuring 20 Litre CANS locally.

Waste Management

We do not generate any hazardous waste and do not require any clearance from pollution control Board

Sales and Marketing

The products manufactured by the Company are dies, moulds, which are used in automobiles, heaters, kitchen items, toys to name a few.

We sell our products, through our dealers and distributors located across the Country. We have a well-qualified & experienced marketing & sales personnel for all the products. They regularly visit / contact our dealers / distributors to understand the changing demand of our customers and strive to effectively meet their requirements.

Collaborations

As on the date of this Letter of Offer, we have not entered into any technical or other collaboration arrangements.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. As on date of this Letter of Offer, we have 21 full time employees. The following table sets forth a bifurcation of the number of our employees as of March 31, 2023:

Sr. No.	Description	No. of Employees
1	KMPs and Directors	4
2	Corporate support staff (Accounts, Secretarial, office staff)	10
3	Consultant	1
4	Others including contract labour at Factory	6
	Total	21

Competition

We face competition from other manufactures of other toolroom companies / plastic injection moulding companies both in the domestic and in the international market. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, modern and innovation-based technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a company which believes in delivering quality goods and on a timely basis.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. We are not required to constitute a Corporate Social Responsibility Committee as our Company does not fall within purview of Section 135(1) of the Companies Act, 2013. We are also not required to formulate a policy on corporate social responsibility

Insurance

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We have obtained certain policies such as standard fire and special perils policy, which insure our building, furniture, fittings, electrical installation, office equipment, stationery, godowns, meeting rooms, building superstructure and any other office contents. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Intellectual Property

We do not own any trademarks and none of the trademarks are is registered.

Property

We own the following properties:

a) Leasehold Property

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease deed dated December 20, 2007 with Shaika Leather Corporation; Chennai represented by its sole proprietor Mrs NyraAhemed	131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044, Tamil Nadu 12000 Sq.Ft. vacant land in front of the RCC building at 131/2 Thiruneermalai Road, Nagalkeni Chrompet.	Building and vacant land for a monthly rent of Rs.1,44,000 per month at the rate of Rs.12 per sq.ft with increase of 10% at the end of 24 months and a security deposit of 14,40,000	Initial period of 60 months subject to renewal for a further period.	Registered Office cum Factory

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than Twelve (12) Directors. As on date of this Letter of Offer, we have five (5) Directors on our Board, which includes, Managing Director, Non-Executive Director (1) and Three (3) Independent Directors. There are women directors on the Board.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Ms Annjana Dugar DIN: 02189257 Date of Birth: 14/05/1971 Designation : Non -Executive Director Address: 1(3A), College Lane, Thousand Lights, Greams Road, Chennai, Tamil Nadu – 600006, Tamil Nadu Original date of Appointment: 19.10.2022 Occupation : Business Term: Liable to retire by rotation Nationality: Indian	52	Nil
Ms Likhitta Dugar DIN: 09768742 Date of Birth: 19/04/1996 Designation: Executive Whole Time Director Address: 1(3A), College Lane, Thousand Lights, Greams Road, Chennai, Tamil Nadu – 600006, Tamil Nadu Original Date of Appointment: 19.10.2022 Occupation: Business Term: for a period of 5 years from October 19, 2022 Nationality: Indian	27	Nil
Mr Velli Paramasivam DIN: 09766538 Date of Birth: 22/01/1962 Designation: Independent Director Address: Priyadarshini Apartments, Flat B1, 10/154, N.M.K. Street, Ayanavaram, Chennai 600 023, Tamil Nadu Original Date of Appointment: 19.10.2022 Occupation: Business Term: for a period of 5 years from October 19, 2022 Nationality: Indian	62	Nil
Mr Syed Munnawar Hussain DIN: 07939900 Date of Birth: 03/05/1962 Designation: Independent Director Address: No.48, Thiruvalluvar Salai, Kodungiyur, Chennai 600 118, Tamil Nadu Original Date of Appointment: 19.10.2022 Occupation: Business Term: for a period of 5 years from October 19, 2022 Nationality: Indian	61	1. Dugar Housing Developments Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Mr Suresh D R DIN: 07706731 Date of Birth: 11/07/1985 Designation: Independent Director Address: 2/3, Verasavakar Street, Ramana Nagar, Perambur, Chennai 600 011, Tamil Nadu Original Date of Appointment: 19.10.2022 Occupation: Business Term: for a period of 5 years from October 19, 2022 Nationality: Indian	38	1. Anpad Property Ventures Private Limited 2. Dugar Homes Private Limited

Brief Profile for our Directors

Ms Likhitta Dugar, aged 27 is the Executive Whole Time Director of our Company. She is a graduate in Electronics and Communication Engineering from SSN College of Engineering. She did Post Graduate in Data Science and Business Analytics from McCombs School of Engineering, The University of Texas at Austin. Ms LikhittaDugar has worked as Senior Software Engineer at Bank of America, Continnum India for around 4 years.

Ms Annjana Dugar, aged 52 is the Non- Executive Promoter Director of our Company. She is a graduate in Psychology from the Madras University and around 14 years of experience in the business of leasing and sub-leasing of Properties developing and she has involved herself in various CSR activities in the past 10 years.

Mr Velli Paramasivam, aged 62 is an independent Director of our Company. He is a fellow member of the Institute of Company Secretaries of India and a Practising Company Secretary with an experience of 34 years that cover various industries like Textiles, Paper, Cement, Automobiles, Imports, Service Sector and Hospitality.

Mr Syed Munnawar Hussain aged 61 is an independent Director of our Company. He is an interior designer and has more than 30 years of experiences in various residential and commercial projects. He believes that any space becomes habitable when it is personalised and would show off their tastes and personality. He makes sure that the space provided by the customer is innovated in a way that it is just aesthetically pleasing, but also a reflection of the customer's expectation.

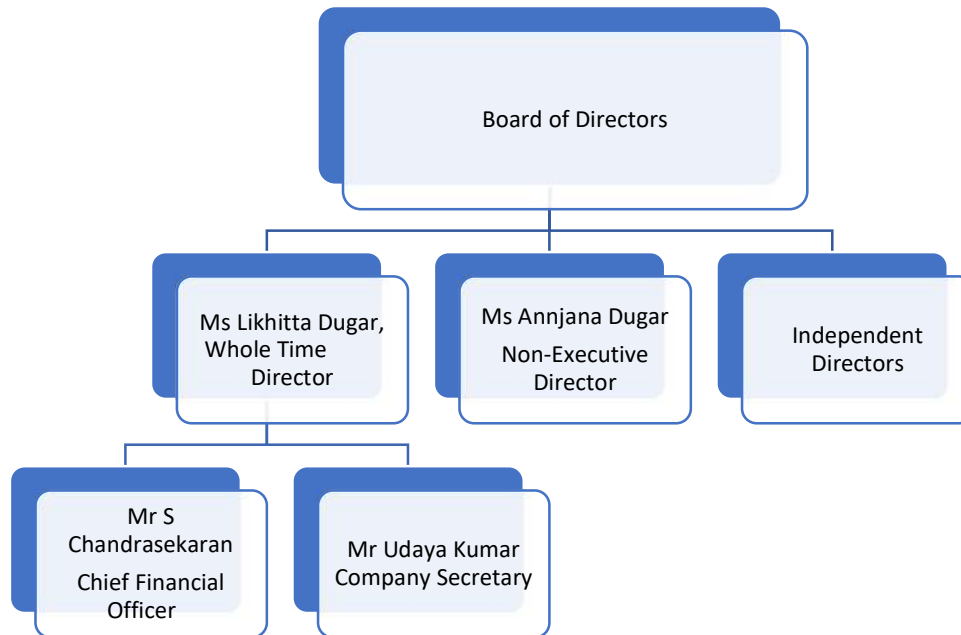
Mr Suresh D R, aged 38 Is an independent Director of our Company, He has experience in the field of real estate.

Confirmations

- None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
- Further, none of the Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

The following is the organization structure of our Company:



Corporate Governance

The provisions of the Companies Act, 2013 with respect to corporate governance are applicable to us.

We are compliant with the requirements of the applicable provisions of the Act and the regulations, including the SEBI Listing Regulations, Companies Act, 2013 and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our 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 Committees, as required under the law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee;
- d) Rights Issue Committee

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee has the following members of the said committee:

S. No.	Name of Member	Designation
1.	Velli Paramasivam	Chairman
2.	Likhitta Dugar	Member
3.	Suresh D R	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

- i. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter.
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- viii. Approval or any subsequent modification of transactions of the listed entity with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
 - x. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
 - xi. Evaluation of internal financial controls and risk management systems.
 - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- xiii. 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.
- xiv. Discussion with internal auditors of any significant findings and follow up there on.
- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. To review the functioning of the whistle blower mechanism.
- xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xxi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxiii. To review Statement of deviations in terms of Regulation 32(1) & 32(7); including report of monitoring agency, if applicable.
- xxiv. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modifications as may be applicable.

The periodic review ensures that all areas within the scope of the Committee are reviewed. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairman of the Company, the Managing Director, Chief Financial Officer, the Internal Auditors and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Internal Auditor reports to the Chairman of the Audit Committee. The significant audit observations and corrective actions as may be required and taken by the management are presented to the Audit Committee.

As required under the SEBI Listing Regulations, the Audit Committee meets at least four times a year with maximum interval of 120 days between two meetings and the quorum for each meeting of the Audit Committee is two members or one third of the number of members of the Committee, whichever is greater, provided that minimum of two independent directors are present at each of the meetings.

b. Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are as follows:

S. No.	Name of Member	Designation
1.	Ms Annjana Dugar	Chairperson
2.	Mr Suresh D R	Member
3.	Ms Likhitta Dugar	Member

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee meets at least once a year, and the chairperson of the committee shall be present at the Annual General Meetings to answer queries of the security holders. The quorum for the meeting of this Committee shall be either two members or one third of the members of the Committee whichever is greater, including at least one independent director in attendance at the meeting.

c. Nomination and Remuneration Committee

The members of the Nomination and Remuneration committee are as follows:

S. No.	Name of Member	Designation
1.	Mr.Suresh D R	Chairperson
2.	Mr. Velli Paramasivam	Member
3.	Mr.Syed Munnawar Hussain	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required.
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity and
 - c. consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- iv. Devising a policy on diversity of board of directors.

- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- vi. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vii. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- viii. Recommend to the board, all remuneration, in whatever form, payable to Directors, KMP, Senior Management, i.e. salary, benefits, bonus, stock options etc. and determining policy on service contracts, notice period, severance fees for Directors, KMP and Senior Management;
- ix. Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria.
- x. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modifications as may be applicable.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the Annual General Meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in attendance at the meeting.

d. Rights Issue Committee

Our Company has constituted a Rights Issue Committee on December 20, 2022. The composition of the Rights Issue Committee is as under:

S. No.	Name of Member	Designation
1.	MsAnnjanaDugar	Chairperson
2.	MsLikhittaDugar	Member
3.	Mr Velli Paramasivam	Member

The Company Secretary acts as the secretary of the Rights Issue Committee.

The terms of reference, powers and role of our Rights Issue Committee are as follows:

- i. to appoint and enter into arrangements with registrar, ad-agency, monitoring agency, banker(s) to the Rights Issue and all other intermediaries and advisors necessary for the Rights Issue.
- ii. to negotiate, authorize, approve and pay commission, fees, remuneration, expenses and/ or any other charges to the applicable agencies/ persons and to give them such directions or instructions as it may deem fit from time to time.
- iii. to approve and adopt any financial statements prepared for purposes of inclusion in the issue documents, pursuant to the requirements outlined by the SEBI ICDR Regulations or any other applicable law for time being in force, including intimating the approval and adoption of such financial statements to the Stock Exchanges, if required.
- iv. to negotiate, finalise, settle and execute the issue agreement, registrar agreement, monitoring agency agreement, underwriting agreement, ad-agency agreement, banker, lead manager to the issue agreement and any other agreement with an intermediary and all other necessary documents, deeds, agreements and instruments in relation to the Rights Issue, including but not limited to any amendments/ modifications thereto.
- v. to take necessary actions and steps for obtaining relevant approvals from the SEBI, the Stock Exchange, the RBI, or such other authorities, whether regulatory or otherwise, as may be necessary in relation to the Rights Issue.

- vi. to finalise the issue documents and any other documents as may be required and to file the same with the SEBI, the Stock Exchange and other concerned authorities and issue the same to the shareholders of the Company or any other person in terms of the issue documents or any other agreement entered into by the Company in the ordinary course of business.
- vii. to decide in accordance with applicable law, the terms of the Rights Issue, the total number, issue price and other terms and conditions for issuance of the equity shares to be offered in the Rights Issue, and suitably vary the size of the Rights Issue, if required, in consultation with the Lead Manager.
- viii. to fix the record date for the purpose of the Rights Issue for ascertaining the names of the eligible shareholders who will be entitled to the equity shares, in consultation with the Stock Exchange.
- ix. to decide the rights entitlement ratio in terms of number of equity shares which each existing shareholder on the Record Date will be entitled to, in proportion to the equity shares held by the eligible shareholder on such date.
- x. to open bank accounts with any nationalised bank/ private bank/ scheduled bank for the purpose of receiving applications along with application monies and handling refunds in respect of the Rights Issue.
- xi. to appoint bankers to the issue / refund bankers for the purpose of collection of application money for the Rights Issue at the mandatory collection centres at the various locations in India.
- xii. to decide in accordance with applicable law on the date and timing of opening and closing of the Rights Issue and to extend, vary or alter or withdraw the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by the SEBI, the Stock Exchange or other authorities from time to time.
- xiii. to issue and allot equity shares in consultation with the Lead Manager(s), the registrar, the Stock Exchange and to do all necessary acts, execution of documents, undertakings, etc. with National Securities Depository Limited and Central Depository Services (India) Limited, in connection with admitting the Equity Shares issued in the Rights Issue.
- xiv. to take such actions as may be required in connection with the creation of separate ISIN for the credit of rights entitlements in the Rights Issue.
- xv. to apply to regulatory authorities, if required, seeking their approval for allotment of any unsubscribed portion of the Rights Issue (in favour of the parties willing to subscribe to the same).
- xvi. to decide, at its discretion, the proportion in which the allotment of additional equity shares shall be made in the Rights Issue.
- xvii. to dispose of the unsubscribed portion of the equity shares in such manner as it may think most beneficial to the Company, including offering or placing such equity shares with promoter and/ or promoter group/ banks/ financial institutions/ investment institutions/ foreign institutional investors/ bodies corporate or such other persons as the Rights Issue Committee may in its absolute discretion deem fit.
- xviii. to decide the mode and manner of allotment of the equity shares, if any, not subscribed and left/ remaining unsubscribed after allotment of the equity shares and additional equity shares applied by the Shareholders and renounces.
- xix. to appoint underwriters and decide the underwriting obligations inter-se and such other terms and conditions thereof, as it may deem fit and to enter into underwriting agreement for this purpose.
- xx. to settle any question, difficulty or doubt that may arise in connection with the Rights Issue including the issue and allotment of the equity shares as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Rights Issue and allotment of the equity shares; and
- xxi. to take all such steps or actions and give all such directions as may be necessary or desirable in connection with the Rights Issue and also to settle any question, difficulty or doubt that may arise in connection with the Rights

Issue including the issuance and allotment of the equity shares as aforesaid and to do all such acts and deeds in connection therewith and incidental thereto, as the Rights Issue Committee may in its absolute discretion deem fit.

Our Key Managerial Personnel

In addition to our Executive Directors, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', given below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Mr S Chandrasekharan, aged 70 years, is the Chief Financial Officer of our Company. He holds a Bachelor's Degree in Commerce and has more than of 45 years of experience in the field of Finance, Accounts and Investment.

Mr Udayakumar aged 85 years, is the Company Secretary and Compliance Officer of our Company He holds a Bachelor's degree in Commerce and is a member of the Institute of Company Secretaries of India. He is responsible for handling secretarial matters of our Company.

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Relationship Between Key Managerial Personnel

There is no relationship amongst the Key Managerial Personnel, except that Mrs Annjana Dugar and Ms Likhitta Dugar are related as mother and daughter.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters are Ms Annjana Dugar, Ms Likhitta Dugar, Mr Siddharth Nandulal, Mr Sunil Chandrakant, Mr Rajapandian, Mr Lakshnmanan, Mr Balasubramanion R, Mr Ram Kumar, Ms S R , Rajalakshmi I, Mr Pandya K V and Electronics Corporation Of Tamil Nadu Limited. As on date of this Letter of Offer, the Promoters holds in aggregate of Equity Shares 35,01,800 Equity Shares constituting 57.56 % of our issued, subscribed and paid-up equity share capital.

Our Company confirms that the PAN, bank account number and passport number of our individual promoters and the PAN number of our Corporate Promoter has been submitted to the Stock Exchange at the time of filing this Letter of Offer.

For details of the educational qualifications, experience, other directorships, positions / posts held by our promoters Ms Annjana Dugar and Ms Likhitta Dugar, please see the chapter titled “*Our Management*” on page 62 of this Letter of Offer.

Electronics Corporation of Tamil Nadu Limited (ELCOT)

ELCOT is a wholly owned Government of Tamil Nadu undertaking, registered under the Companies Act, 1956 on March 21, 1977. It functions to promote, establish and run state public sector enterprises for electronic items, manage supervise, finance, advise, assist, aid or collaborate with any private and public associations, firms, companies, enterprises, undertakings, Institutions and schemes for the advancement and development of electronics and information technology. It is considered the back office of the Information Technology Department of the Government of Tamil Nadu and functions to implement the Government’s E-Governance initiative.

ELCOT comes under the aegis of the Information Technology and Digital Services (IT&DS) Department, Government of Tamil Nadu. The Secretary to the Government, IT Department functions as its Chairman and ELCOT has a Board of Directors comprising of senior IAS Officers of the Government of Tamil Nadu.

(Source : from ELCOT website)

Other Promoters

Since the other promoters, Mr Siddharth Nandulal, Mr Sunil Chandrakant,, Mr Rajapandian, Mr Lakshnmanan, Mr Balasubramanion R, Mr Ram Kumar, Ms S R , Rajalakshmi I, and Mr Pandya K V belong to the erstwhile promoter group and have not provided any information regarding themselves, We are unable to include any details regarding their educational qualifications or experience or other directorships.

Confirmations

1. Our Promoter has not been as a Wilful Defaulters or Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by him in the past or are currently pending against him.
2. Our Promoter has not been declared as a Fugitive Economic Offender.
3. Our Promoter has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been a promoter, director or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Except as disclosed in the ‘*Outstanding Litigation and Material Developments - Disciplinary action against our Company or our promoter or our directors by SEBI or any stock exchange in the last three Financials*’ on page 117 of this Letter of Offer, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

RELATED PARTY TRANSACTIONS

For further details regarding related party transactions, during the last three Financials, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see section titled "*Restated Financial Information- Note No 28*" at page 85 of this Letter of Offer.

6 DIVIDEND POLICY

As Dividend Policy is not mandatorily required for our Company, we do not have Dividend Distribution Policy. Dividend declared if any, will depend on a number of factors, including but not limited to capital allocation plans including expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.; funds required for any acquisitions that the Board of Directors may approve; any share buy-back plans; minimum cash required for contingencies or unforeseen events; funds required to service any outstanding loans; liquidity and return ratios; any other significant developments that require cash investments and Investments required towards execution of the Company's strategy. In addition, our ability to pay dividends may be impacted by a number of external factors, including the regulatory and financial environment. Our Company would endeavour to maintain a dividend pay-out keeping these factors in mind.

We have not declared any dividend for the last 5 years.

SECTION V - FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Restated Financial Statements as at and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021.	75
2	Unaudited financial statements for the nine month period ended December 31, 2023 subject to limited review	93
3.	Accounting Ratios	96
4.	Statement of Capitalization	97

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Restated Financial Statements as at and for the Financial Years ended
March 31, 2023, March 31, 2022, and March 31, 2021.

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AUDITORS REPORT ON RESTATED FINANCIAL STATEMENTS

Independent Auditors Report for the Standalone Restated Financial Statements of Iykot Hitech Toolroom Limited

The Board of Directors
Iykot Hitech Toolroom Limited
Thiruneermalai Road
Chromepet, Chennai 600044
Tamilnadu

Dear Sirs,

1. We have examined the attached Standalone Restated Summary Statement of Assets and Liabilities of **Iykot Hitech Toolroom Limited**, (hereinafter referred to as — **the Company**”) as at March 31, 2022, March 31, 2021 and March 31, 2020, Standalone Restated Summary Statement of Profit and Loss and Standalone Restated Summary Statement of Cash Flow for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 (collectively referred to as the **Standalone Restated Summary Statements** or — **Standalone Restated Financial Statements**) annexed to this report and initialled by us for identification purposes. These Standalone Restated Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the proposed Rights issue of equity shares to the existing shareholders of the company.

2. These Standalone Restated Summary Statements have been prepared in accordance with the requirements of:

a) Part I of Chapter III to the Companies Act, 2013(—the Act read with Companies (Prospectus and Allotment of Securities) Rules 2014;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (—**ICDR Regulations**”) issued by the Securities and Exchange Board of India (—**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;

3. We have examined such Standalone Restated Financial Statements taking into consideration:

a) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Rights issue of equity shares; and

b) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (—**Guidance Note**).

4. The Standalone Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the year ended on



VIVEKANANDAN ASSOCIATES

Chartered Accountants



M.N.O. Complex 81, Greams Road, Chennai 600 006

Tel: 2829 2272/ 73; Email: nsmanians1954@gmail.com

March 31, 2022, March 31, 2021 and March 31, 2020 which have been approved by the Board of Directors.

5. 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 —**Standalone Restated Statement of Asset and Liabilities** of the Company March 31, 2022, March 31, 2021 and March 31, 2020, 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 Standalone Restated Summary Statements to this Report.

(ii) The —**Standalone Restated Statement of Profit and Loss** of the Company for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 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 Standalone Restated Summary Statements to this Report.

(iii) The **Standalone Restated Statement of Cash Flow** of the Company for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020, 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 Standalone Restated Summary Statements to this Report.

1. Based on our examination, we are of the opinion that the Standalone Restated Financial Statements have been prepared:

a) Using consistent accounting policies for all the reporting periods.

b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate.

c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

d) There are no audit qualifications in the Audit Reports issued by us (The Statutory Auditors) for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 which would require adjustments in this Standalone Restated Financial Statements of the Company.

7. 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 March 31, 2022, March 31, 2021 and March 31, 2020 proposed to be included in the Letter of Offer (**—Offer Document**).



VIVEKANANDAN ASSOCIATES

Chartered Accountants

M.N.O. Complex 81, Greams Road, Chennai 600 006
Tel: 2829 2272/ 73; Email: nsmanians1954@gmail.com



Annexure of Standalone Restated Financial Statements of the Company:

1. Summary Statement of Assets and Liabilities, as Standalone Restated as appearing in ANNEXURE I;
2. Summary Statement of Profit and Loss, as Standalone Restated as appearing in ANNEXURE II;
3. Summary Statement of Cash Flow as Standalone Restated as appearing in ANNEXURE III;
4. Significant Accounting Policies as Standalone Restated as appearing in ANNEXURE IV;
5. Note No. 1 to 20 forming part of the Restated Assets and Liabilities to this report;
6. Note No. 21 to 27 forming part of the Restated Statement of Profit and Loss to this report;
7. Note No. 28 contains details of related parties and transactions entered into with them during the three-year period as appearing in this report;
8. Note No. 29 contains details of contingent liabilities as appearing in this report.

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.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Standalone Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Rights issue of equity shares to the shareholders of Iykot Hitech Toolroom Limited. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

Yours truly,
For VIVEKANANDAN ASSOCIATES
Chartered Accountants (FRN: 005268S)

N. SUBRAMANIAN (Membership No: 021628)

Partner

UDIN: 23021628BGWVDO3799

Date: 25/03/2023



IYKOT HITECH TOOLROOM LIMITED
CIN: L27209TN1991PLC021330
RESTATED BALANCE SHEET

Particulars	Note No.	Audited Period		
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1	1,43,79,896	1,58,95,778	1,85,83,890
(b) Capital work-in-progress	1.1	-	-	-
(c) Financial assets				
(i) Non current investments	2	-	-	-
(ii) Loans	3	-	-	-
(iii) Other financial assets	4	35,15,680	36,02,906	35,71,033
(d) Other non-current assets				
Total non-current assets		1,78,95,576	1,94,98,684	2,21,54,923
Current assets				
(a) Inventories	5	30,87,406	64,62,491	27,96,981
(b) Financial assets				
(i) Current investments				
(ii) Trade receivables	6	1,04,62,522	90,80,913	79,84,616
(iii) Cash and cash equivalents	7	1,92,32,156	1,28,09,905	1,33,15,651
(iv) Bank balances other than (iii) above				
(v) Loans	8	1,54,205	12,000	30,500
(vi) Other financial assets				
(c) Other current assets	9	7,82,136	18,76,980	11,32,969
Total current assets		3,37,18,425	3,02,42,288	2,52,60,718
Total assets		5,16,14,000	4,97,40,972	4,74,15,640
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	3,04,20,000	3,04,20,000	3,04,20,000
(b) Other equity	11	88,37,837	70,67,105	68,47,796
Total equity		3,92,57,837	3,74,87,105	3,72,67,796
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Long term borrowings	12	-	-	-
(ii) Other Financial liabilities	13	43,96,721	41,65,924	40,39,527
(b) Deferred tax liabilities (net)	14	9,05,287	9,19,525	8,56,709
Total non-current liabilities		53,02,008	50,85,449	48,96,236
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	-	-	-
(ii) Trade payables	16	40,69,635	47,67,221	33,03,122
(iii) Other financial liabilities	17	27,02,218	23,41,597	19,48,486
(b) Other current liabilities	18	-	-	-
(c) Provisions	19	2,82,302	59,600	-
(d) Current tax liabilities (net)	20	-	-	-
Total current liabilities		70,54,155	71,68,418	52,51,608
Total liabilities		1,23,56,163	1,22,53,867	1,01,47,844
Total equity and liabilities		5,16,14,000	4,97,40,972	4,74,15,641
Notes to accounts forming an integral part of the financial statement.	1 to 41			
General company information and significant accounting policies	A & B			

As Per Our Report Of Even Date
For VIVEKANANDAN ASSOCIATES
Chartered Accountants (FRN: 0052685)

FOR AND ON BEHALF OF BOARD OF DIRECTORS

N. Subramanian
N.SUBRAMANIAN
PARTNER
M No. 021628
UIDIN: 23021628BGWVDD1799
Place: Chennai
Date: March 25, 2023



Ms.Likhitta Dugar
Executive Director
DIN: 09768742

Velli Paramasivam
Director
DIN: 09766538

IYKOT HITECH TOOLROOM LIMITED
CIN: L27209TN1991PLC021330
RESTATED STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	Audited Period		
		Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
1. INCOME				
a. Revenue from operations	21	8,34,67,685	6,22,62,018	7,13,43,136
b. Other Income	22	6,50,023	8,24,568	7,52,480
Total Income		8,41,17,708	6,30,86,586	7,20,95,616
2. EXPENSES				
a. Cost of materials consumed	23	5,08,40,043	4,01,21,346	3,57,08,746
b. Purchase Stock in Trade		-	-	-
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	30,60,114	(26,00,035)	19,03,629
d. Employee benefit expenses	25	89,15,813	81,73,209	89,47,432
e. Finance costs	26	2,086	4,480	3,76,223
f. Depreciation and amortization expense	1	15,15,882	15,46,164	16,50,338
g. Other expenses	27	1,73,37,076	1,54,99,697	2,43,22,308
Total Expenses		8,16,71,014	6,27,44,861	7,29,08,675
3. Profit before tax and Exceptional items (1 - 2)		24,46,694	3,41,725	(8,13,060)
4. Exceptional Items				
5. Profit before tax (3 - 4)		24,46,694	3,41,725	(8,13,060)
6. Tax expense:				
(1) Current tax		6,90,200	59,600	-
(2) Relating to Earlier years				65,003
(3) Deferred tax		(14,238)	62,816	1,16,652
7. Profit for the Year (5 - 6)		17,70,732	2,19,309	(9,94,715)
8. Other comprehensive income				
Total other comprehensive income		17,70,732	2,19,309	(9,94,715)
9. Total comprehensive income		17,70,732	2,19,309	(9,94,715)
Earning per Equity share				
Face value of Re. 5/- each				
Basic & Diluted (in Re.)		0.29	0.04	(0.16)
Notes to accounts forming an integral part of the financial statement. General company information and significant accounting policies	1 to 41 A & B			

As Per Our Report Of Even Date

For VIVEKANANDAN ASSOCIATES
Chartered Accountants (FRN: 0052685)

FOR AND ON BEHALF OF BOARD OF DIRECTORS

N. Subramanian

N.SUBRAMANIAN
PARTNER
M No. 021628
UDIN: 23021628BGWVDO3799
Place: Chennai
Date: March 25, 2023



Ms.Likhitta Dugar
Executive Director
DIN: 09768742

Velli Paramasivam
Director
DIN: 09766538

A. Equity Share Capital

Particulars	No. shares	Total
Balance as at 31 March 2019	60,84,000	3,04,20,000
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	60,84,000	3,04,20,000
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	60,84,000	3,04,20,000
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	60,84,000	3,04,20,000
Changes in equity share capital during the year	-	-
Balance as at 30 September 2022	60,84,000	3,04,20,000

Particulars	Reserves and Surplus				Other comprehensive income	Total equity attributable to equity holders of
	Security Premium	General Reserve	ESOP	Retained earnings		
Balance as at 31 March 2019	-	-	-	78,42,511	-	78,42,511
Profit for the year	-	-	-	(9,94,715)	-	(9,94,715)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	68,47,796	-	68,47,796
Equity dividend	-	-	-	-	-	-
Tax on equity dividend	-	-	-	-	-	-
Employee Stock Option Plan	-	-	-	-	-	-
Balance as at 31 March 2020	-	-	-	68,47,796	-	68,47,796
Profit for the year	-	-	-	2,19,309	-	2,19,309
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	70,67,105	-	70,67,105
Equity dividend	-	-	-	-	-	-
Tax on equity dividend	-	-	-	-	-	-
Employee Stock Option Plan	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	70,67,105	-	70,67,105
Profit for the year	-	-	-	17,70,732	-	17,70,732
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	88,37,837	-	88,37,837
Equity dividend	-	-	-	-	-	-
Tax on equity dividend	-	-	-	-	-	-
Employee Stock Option Plan	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	-	88,37,837	-	88,37,837
Profit for the year	-	-	-	(35,32,946)	-	(35,32,946)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	53,04,891	-	53,04,891

As Per Our Report Of Even Date

For VIVEKANANDAN ASSOCIATES
 Chartered Accountants (FRN: 0052685)

N. Subramania
 N.SUBRAMANIA
 PARTNER
 M No. 021628
 UDIN: 23021628BGWVDD3299
 Place: Chennai
 Date: March 25, 2023



FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ms. Likhita Dugar
 Executive Director
 DIN: 09768742

Velli Paramasivam
 Director
 DIN: 09766538

IYKOT HITECH TOOLROOM LIMITED
CIN: L27209TN1991PLC021330
RESTATED CASHFLOW STATEMENT

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cash Flow from Operating Activities			
Profit before tax and extraordinary items	24,46,694	3,41,725	(8,13,060)
Adjusted for :			
Depreciation / amortization expense	15,15,882	15,46,164	16,50,338
Interest Income	(6,50,023)	(7,60,435)	(7,23,753)
Finance Cost	2,086	4,480	3,76,223
Investment written off	-	-	-
Loss on sale of fixed asset	-	6,41,947	-
Operating profit before working capital changes	33,14,639	17,73,881	4,89,748
Adjusted for :			
Trade and other receivables	(4,28,969)	(18,21,807)	(19,91,950)
Inventories	33,75,085	(36,65,510)	9,99,364
Trade and other payables	(97,920)	19,77,608	2,98,702
Cash Generated from Operations	61,62,835	(17,35,829)	(2,04,136)
Taxes Paid (Net)	(4,67,497)	-	(6,90,310)
Net Cash Generated from / (Used in) Operating Activities	56,95,338	(17,35,829)	(8,94,446)
Cash Flow from Investing Activities			
Purchase of Property, plant & equipments	-	-	-
Capital work in progress, Capital Advances	-	-	-
Proceeds from Sale of Fixed Assets	-	5,00,000	-
Deduction in Gross Block	-	-	-
Dividend Paid	-	-	(15,87,465)
Tax on Dividend Paid	-	-	(4,68,969)
Non- Current Liabilities	(8,250)	6,000	(5,975)
Interest Received	6,50,023	7,60,435	7,23,753
Loans and advances Long Term	87,226	(31,873)	88,805
Non Current Investment	-	-	-
Net Cash (Used in) / Generated from Investing Activities	7,28,999	12,34,562	(12,49,851)
Cash Flow from Financing Activities			
Proceeds from Share Capital	-	-	-
Proceeds from Security Premium	-	-	-
Proceeds from Long Term Borrowings	-	-	-
Repayment of Long Term Borrowings	-	-	-
Repayment of Short Term Borrowings	-	-	-
Finance costs	(2,086)	(4,480)	(3,76,223)
Deferred Tax	-	-	-
Net Cash (Used in) Financing Activities	(2,086)	(4,480)	(3,76,223)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	64,22,251	(5,05,746)	(25,20,521)
Cash & Cash Equivalents at Beginning of the Year	1,28,09,905	1,33,15,651	1,58,36,172
Cash & Cash Equivalents at End of the Year	1,92,32,156	1,28,09,905	1,33,15,651
Increase / (Decrease) in Cash & Cash Equivalents	64,22,251	(5,05,746)	(25,20,521)
Cash & Cash Equivalents comprises			
Cash on hand	4,874	16,593	252
Balances with banks	1,92,27,282	1,27,93,312	1,33,15,399

As Per Our Report Of Even Date
For VIVEKANANDAN ASSOCIATES
Chartered Accountants (FRN: 0052685)

FOR AND ON BEHALF OF BOARD OF DIRECTORS

N.SUBRAMANIAN
PARTNER
M No. 021628
Place: Chennai
Date: March 25, 2023



Ms.Likhitta Dugar
Executive Director
DIN: 09768742

Velli Paramasivam
Director
DIN: 09766538

NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to standalone financial statements of the Company.

a) Brief description of the Company

IYKOT HITECH TOOLROOM LTD is a public limited company incorporated and domiciled in India and engaged in integrated commercial tool room and related activities.

b) Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per accounting policy below), which have been measured at fair value.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reflected in financial statements and notes thereto. The management believes that these estimates are reasonable and prudent. However, actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances, rebates and amounts collected on behalf of third parties. It excludes value of GST.

Sale of products:

Revenue from sale of products is recognised, when significant risks and rewards of ownership pass to the customer, as per the terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

e) Property, Plant and Equipment

All items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation/ amortization and impairment, if any. Cost includes purchase price, taxes



and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes G S T to the extent credit of tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefit associated with the item flows to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

f) Depreciation and amortization

- 1) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset (after considering double/ triple shift), on straight line method, in accordance with Part A of Schedule II of the Companies Act, 2013. On tangible fixed assets added/ disposed off during the year, depreciation is charged on pro-rata basis from the date of addition/ till the date of disposal.
- 2) Tools used are depreciated based on the quantity of components manufactured and the life of the tools, subject to maximum of 5 years.
- 3) Residual values and lives are reviewed, and adjusted, if appropriate, for each reporting period.
- 4) Depreciation in respect of tangible assets costing less than Rs. 5000/- is provided at 100%.

g) Inventories

Inventories are valued at the lower of cost and net realisable value.

- 1) Cost of raw materials, components, stores, spares, work-in-progress and finished goods are ascertained on a moving average basis.
- 2) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is determined as estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

h) Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Such liabilities are disposed by way of monthly contribution to the fund administered by the Regional Provident Commissioner, Tamilnadu and the Employees' State Insurance Corporation, Tamilnadu Regional Office.



ii) Other long term employee benefit:

The liabilities for earned leave is are settled on cash payment basis as and when the same arises. Liability towards Gratuity is provided in the books on accrual basis.

i) Cash and Cash equivalents

For the purpose of presentation in the cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within current liabilities in the balance sheet.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Taxes on Income

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

l) Provisions

A provision is recorded in the when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources would be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold on technical evaluation.



Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are discharged from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/ (loss). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

n) Current and Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

Cash and Cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months. In respect of other assets, it is treated as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle. It is held primarily for the purpose of trading, expected to be realised within twelve months after the reporting date. All other assets are classified as non-current.

A liability is treated as current when expected to be settled in the normal operating cycle. It is held primarily for the purpose of trading. It is due to be settled within twelve months after the reporting period. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of asset for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



o) **Earnings per Share (EPS)**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

As per our report attached here to
For VIVEKANANDAN ASSOCIATES
Chartered Accountants
Firm Reg. No 005268S

For and on behalf of the Board
IYKOT HITECH TOOLROOM LTD


N SUBRAMANIAN
Partner
Membership No 21628
UDIN: 23021628BGWVDO3799



Ms. LIKHITA DUGAR VELLI PARAMASIVAM
Executive Director Director
DIN: 09768742 DIN: 09766538

Date: March 25, 2023
Place: Chennai

IYKOT HITECH TOOLROOM LIMITED
CIN: L27209TN1991PLC021330
NOTES FORMING PART OF RESTATED FINANCIAL STATEMENTS

Particulars	Audited Period		
	As at 31st Mar, 2022	As at 31st Mar, 2021	As at 31st Mar, 2020
Note - 1: Property, plant and equipment			
(a) Property, plant and equipment	1,43,79,896	1,58,95,778	1,85,83,890
(b) Capital work-in-progress	-	-	-
(d) Intangible assets	-	-	-
Total	1,43,79,896	1,58,95,778	1,85,83,890
Note -2: Non Current Investments			
Total	-	-	-
Note -3: Loans			
(Unsecured, considered good unless otherwise stated)			
Loan & Advances to Related Parties	-	-	-
Loan & Advances to Others	-	-	-
Total	-	-	-
Note -4: Other Non Current Financial Assets			
Other receivables	35,15,680	36,02,906	35,71,033
Total	35,15,680	36,02,906	35,71,033
Note-5 :Inventories			
Finished Goods	8,47,752	39,07,866	13,07,831
Raw Materials and Components	22,39,654	25,54,625	14,89,150
Total	30,87,406	64,62,491	27,96,981
Note:			
Inventories are valued at lower of cost and net realisable value.			
Note-6: Trade Receivable			
(Unsecured, considered good unless otherwise stated)			
Outstanding for more than 6 months	-	1,75,890	3,34,031
Others	1,04,62,522	89,05,023	76,50,585
Less: Provision for doubtful debts	-	-	-
Total	1,04,62,522	90,80,913	79,84,616



Particulars	Audited Period		
	As at 31st Mar, 2022	As at 31st Mar, 2021	As at 31st Mar, 2020
Note-7: Cash and Cash Equivalents			
Balances with banks :			
In Current Accounts	60,51,135	16,13,312	21,35,399
Cash on hand	4,874	16,593	252
Cheque Issued	-	-	-
Cheques on hand / transit	-	-	-
Short term Fixed Deposits	1,31,76,147	1,11,80,000	1,11,80,000
Total	1,92,32,156	1,28,09,905	1,33,15,651
Note-8: Loans			
(Unsecured, considered good unless otherwise stated)			
Security Deposits	-	-	-
Loan to Related Party	-	-	-
Advances	1,54,205	12,000	30,500
Total	1,54,205	12,000	30,500
Note-9: Other Current Assets			
Balance with government authorities	6,23,576	2,85,854	2,28,480
Advance to Suppliers	-	-	-
Capital Advances	-	-	-
Other receivables*	1,21,660	15,51,138	8,61,284
Prepaid expenses	36,900	39,988	43,205
Total	7,82,136	18,76,980	11,32,969
Note 11 :Other Equity			
A. Securities Premium Reserves			
Balance at the beginning of the year	-	-	-
Sub-total (A)	-	-	-
B. Other reserves			
i) General Reserve			
As per last balance sheet	-	-	-
Add : Transferred from Surplus in Statement of Profit and Loss	-	-	-
Sub-total (B)	-	-	-
iii) Retained earnings			
As per last balance sheet	70,67,105	68,47,796	78,42,511
Profit for the year	17,70,732	2,19,309	(9,94,715)
Sub-total (C)	88,37,837	70,67,105	68,47,796
Total (A+B+C)	88,37,837	70,67,105	68,47,796

Nature and purpose of reserves

i) Securities premium

Securities premium is used to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

ii) General reserve

The company has transferred a portion of the net profit before declaring dividend to general reserves pursuant to provision of companies act 1956. Mandatory transfer to general reserve is not required under the companies act 2013



Particulars	Audited Period		
	As at 31st Mar, 2022	As at 31st Mar, 2021	As at 31st Mar, 2020
Note-12: Long-term borrowings			
Secured			
Term loans- from Bank	-	-	-
Less: Current Maturity disclosed under the head "other current financial liabilities"	-	-	-
Total	-	-	-
Note-13: Other Non Current Financials Liabilities			
Un Secured			
Staff Security Deposits	4,57,233	4,65,483	4,59,483
Staff Benefits - Gratuity	39,39,488	37,00,441	35,80,044
Total	43,96,721	41,65,924	40,39,527
Note-14: Deferred Tax Liabilities (Net)			
Deferred Tax Liability			
Property, Plant and Equipment	9,05,287	9,19,525	8,56,709
Other deductible temporary differences	-	-	-
Gross Deferred Tax Liabilities (A)	9,05,287	9,19,525	8,56,709
Total	9,05,287	9,19,525	8,56,709
Note-15: Current Financials Liabilities- Borrowing			
Secured			
Loans Repayable on Demand	-	-	-
Working capital loans from banks	-	-	-
Total	-	-	-
Note-16: Trade Payables			
Trade payables			
To MSMEs	3,10,468	28,181	70,130
To Others	37,59,167	47,39,040	32,32,992
Total	40,69,635	47,67,221	33,03,122
Note-17: Other Current Financial Liabilities			
Current maturities of long-term borrowings	-	-	-
Interest accrued on borrowings	-	-	-
Statutory Dues	2,04,532	3,69,110	2,04,885
Other Creditors	18,33,351	13,08,153	10,49,566
Others payable - Unclaimed Dividend	6,64,335	6,64,335	6,94,035
Total	27,02,218	23,41,597	19,48,486
Note-18: Other Current Liabilities			
Advances from customers	-	-	-
Other Payables	-	-	-
Total	-	-	-
Note-19: Short-Term Provisions			
Other Provisions	2,82,302	59,600	-
Total	2,82,302	59,600	-
Note-20: Current tax liabilities (net)			
For Taxation	-	-	-
Total	-	-	-



IKYOT HITECHTOOLROOM LIMITED
CIN: L27209IN1991PLCO21330

NOTES FORMING PART OF RESTATED FINANCIAL STATEMENTS

Note-1: Property Plant & Equipment

	Free hold Land	Leasehold Land	Buildings	Plant and equipment	Diesel Generator	Computer	Furniture and fixtures	Vehicles	Electrical Installation	Office Equipment	Total
Gross carrying amount											
Balance as at 1st April 2018	-	-	21,94,393	6,39,21,821	7,91,513	23,01,926	11,00,794	9,12,643	41,12,591	16,46,201	7,69,81,883
Additions during the year	-	-	-	53,57,880	-	-	-	-	-	-	53,57,880
Deduction / Retirement during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2019	-	-	21,94,393	6,92,79,701	7,91,513	23,01,926	11,00,794	9,12,643	41,12,591	16,46,201	8,23,39,763
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deduction / Retirement during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	-	-	21,94,393	6,92,79,701	7,91,513	23,01,926	11,00,794	9,12,643	41,12,591	16,46,201	8,23,39,763
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deduction / Retirement during the year	-	-	-	14,57,271	-	-	-	-	-	-	-
Balance as at 31st March 2021	-	-	21,94,393	6,78,22,430	7,91,513	23,01,926	11,00,794	9,12,643	41,12,591	16,46,201	8,08,82,492
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deduction / Retirement during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	-	21,94,393	6,78,22,430	7,91,513	23,01,926	11,00,794	9,12,643	41,12,591	16,46,201	8,08,82,492
Accumulated Depreciation and impairment											
Balance at 1st April 2018	-	-	7,28,524	5,03,85,082	4,01,033	22,78,590	10,23,613	6,97,510	32,28,197	15,56,399	6,02,98,848
Depreciation for the year	-	-	69,489	13,99,055	50,129	16,847	15,592	1,39,502	1,01,392	14,681	18,16,687
Deduction during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2019	-	-	7,98,013	5,17,84,137	4,51,162	22,95,437	10,39,205	8,37,012	33,29,589	15,70,980	6,21,05,535
Depreciation for the year	-	-	69,489	13,99,055	50,129	-	15,592	-	1,01,392	14,681	16,50,338
Deduction during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	-	-	8,67,502	5,31,83,192	5,01,291	22,95,437	10,54,797	8,37,012	34,30,981	15,85,661	6,37,55,873
Depreciation for the year	-	-	65,489	13,05,219	50,129	-	15,254	-	96,392	13,681	15,46,164
Deduction during the year	-	-	-	(3,15,324)	-	-	-	-	-	-	(3,15,324)
Balance as at 31st March 2021	-	-	9,32,991	5,41,73,087	5,51,420	22,95,437	10,70,051	8,37,012	35,27,373	15,99,342	6,49,86,713
Depreciation for the year	-	-	65,489	12,74,937	50,129	-	15,254	-	96,392	13,681	15,15,862
Deduction during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	-	9,98,480	5,54,48,024	6,01,549	22,95,437	10,85,305	8,37,012	36,23,765	16,13,023	6,65,02,595
Net Carrying Amount											
As at 31st March 2019	-	-	13,96,380	1,74,95,564	3,40,351	6,489	61,589	75,631	7,83,002	75,221	2,02,34,228
As at 31st March 2020	-	-	13,26,891	1,60,96,509	2,90,222	6,489	45,997	75,631	6,81,610	60,540	1,85,83,890
As at 31st March 2021	-	-	12,61,402	1,36,49,343	2,40,093	6,489	30,743	75,631	5,85,218	46,859	1,58,95,779
As at 31st March 2022	-	-	11,95,913	1,23,74,406	1,89,964	6,489	15,489	75,631	4,88,826	33,178	1,43,79,897
As at 30th September 2022	-	-	13,92,733	1,18,95,536	1,80,466	75,458	14,715	71,849	4,64,385	31,519	1,41,26,662



Particulars	Audited Period		
	As at 31st Mar, 2022	As at 31st Mar, 2021	As at 31st Mar, 2020
Note-21: Revenue from Operations			
Sale of Finished Product	8,34,67,685	6,22,62,018	7,13,43,136
Other Operating revenue	-	-	-
	8,34,67,685	6,22,62,018	7,13,43,136
Note-22: Other Income			
Interest Income	6,50,023	7,60,435	7,23,753
Other receipts	-	-	-
Miscellaneous Income	-	64,133	28,727
	6,50,023	8,24,568	7,52,480
Note-23: Cost of Materials Consumed			
Materials Consumed	5,08,40,043	4,01,21,346	3,57,08,746
	5,08,40,043	4,01,21,346	3,57,08,746
Note-24: Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade			
Opening Stock			
Finished Goods	39,07,866	13,07,831	32,11,460
Stores and Spares	-	-	-
	39,07,866	13,07,831	32,11,460
Closing Stock			
Finished Goods	8,47,752	39,07,866	13,07,831
Stores and Spares	-	-	-
	8,47,752	39,07,866	13,07,831
Changes in Inventories during the year	30,60,114	(26,00,035)	19,03,629
Note-25: Employee benefits expenses			
Salaries, wages and bonus	78,30,374	73,22,312	77,72,816
Contribution to provident fund and other funds	9,35,930	7,55,468	10,01,823
Staff welfare expenses	1,49,509	95,429	1,72,793
	89,15,813	81,73,209	89,47,432
Note-26: Finance costs			
Interest expenses on:			
Borrowings from Banks	-	2,241	74,468
Bank Charges	2,086	2,239	3,01,755
	2,086	4,480	3,76,223



Particulars	Audited Period		
	As at 31st Mar, 2022	As at 31st Mar, 2021	As at 31st Mar, 2020
Note-27: Other expenses			
Consumables of Standard Parts			
Packing Materials	3,70,889	3,72,078	4,86,109
Power and Fuel	17,75,904	15,84,093	18,20,903
Carriage Inwards	34,70,553	36,39,293	46,93,417
Legal and Professional	93,095	41,790	84,750
Rent Payments	15,29,196	3,88,151	5,59,009
Labour charges	27,04,800	24,42,400	30,87,265
Service Charges	12,10,971	11,62,446	65,16,696
Repairs to Machinery, Building and Others	60,649	1,44,000	1,32,000
Directors' Sitting Fees	10,06,315	13,12,337	17,20,050
Advertisement & Publicity	98,000	98,000	1,01,500
Carriage Outwards	70,310	74,900	53,436
Conveyance and Travelling Expenses	34,92,395	27,17,937	30,86,464
Communication Expenses	29,278	21,565	1,35,280
Postage & Courier Expenses	58,315	81,049	99,969
Vehicle Maintenance Charges	6,765	5,853	3,46,558
Miscellaneous Expenses	45,960	60,685	5,04,619
	13,13,681	13,53,121	8,94,284
Total	1,73,37,076	1,54,99,698	2,43,22,308
28: Other Notes			
I. Names of Related Parties			
a. Key Management Personnels			
i. Mr. S. Iyyempandi - Managing Director (Upto 19.10.2022)			
ii. Mr. N.K. S. Kolappan - Director (Upto 19.10.2022)			
iii. Mrs. Sornalatha Usha - Non-Executive Director (Upto 19.10.2022)			
iv. Mr. T. Rajapandian Sivalingam - Independent Director (Upto 19.10.2022)			
v. Mr. Muthulingam Sivaramakrishnan - Independent Director (Upto 19.10.2022)			
vi. Mr. Paramasivan Arunachaladevar - Independent Director (Upto 19.10.2022)			
iii. Mrs. Annjana Dugar - Executive Director (From 19.10.2022)			
iv. Ms. Likhitta Dugar - Executive Director (From 19.10.2022)			
v. Mr. S. Chandrasekhar - Chief Financial Officer			
vi. Mr. P. Udayakumar - Company Secretary			
b. Companies and Firms in which the directors are interested as directors/ Partners or as investors having significant influence/control over its affairs)			
Hitech Computers & Systems Private Limited			
II. Transaction with Related Parties			
To Key Management Personnels			
Remuneration Paid to Related Parties as Salaries	35,10,037	31,37,005	28,49,299
Remuneration Paid to Related Parties as Sitting Fees	98,000	98,000	1,01,500
Remuneration Paid to Related Parties for services rendered	3,20,000	2,40,000	2,40,000
To Others			
Rent Payments	1,80,000	1,80,000	1,80,000
Outstanding amounts Payable /(Receivable) at the end of the year			
Key Management Personnel	67,000	3,11,400	4,50,600
Others	26,860	27,100	51,560
29: Contingent Liabilities			
	Nil	Nil	



Unaudited Results for the nine month period ended December 31, 2023

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VIVEKANANDAN ASSOCIATES
Chartered Accountants

M.N.O. Complex 81, Greams Road, Chennai 600 006
Tel: 2829 2272/ 73; Email: nsmanians1954@gmail.com



To,
The Board of Directors
IYKOT HITECH TOOLROOM LIMITED
Chennai 600044

Sub: Independent Auditor's Limited Review Report on the Unaudited Standalone Financial Results of Iykot Hitech Toolroom Limited for the Quarter ended 31st December, 2023.

- We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **IYKOT HITECH TOOLROOM LIMITED** (the 'Company') for the quarter ended 31st December, 2023 (the Statement) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
- The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
- We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement of financial results is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **VIVEKANANDAN ASSOCIATES**
Chartered Accountants

R. LAKSHMINARAYANAN
Partner
Membership No.204045
UDIN: 24204045BKBFJ1100

Place: Chennai
Date: 02.02.2024



IVKOT HITECH TOOLROOM LIMITED
No. 131/2 Thiruneermalai Road, Nagalkeni, Chrompet, Chennai- 600044
CIN: L27209TN1991PLC021330

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER & NINE MONTH ENDED 31/12/2023
Rs. In Lakhs

SR. NO.	Particulars	Quarter Ended			Nine Month ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	a) Net Sales / Income from Operations (Net of G S T)	41.42	18.75	22.44	126.37	211.73	225.04
	b) Other Operating Income	1.43	4.92	2.18	8.56	5.93	9.67
	Total Income from operations (net)	42.85	23.67	24.62	134.93	217.66	234.71
2	Expenses						
	a. Cost of Material Consumed	49.98	17.65	4.63	125.54	119.17	121.15
	b. Purchase of Stock in Trade	0.00	0.00	0	0.00	0.00	0.00
	c. Changes in inventories of finished goods, work-in-progress and stock -in-trade	-24.74	-4.58	6.85	-31.20	5.81	7.29
	d. Finance Costs	2.95	2.13	0.00	6.00	0.00	0.02
	e. Employee benefits expense	17.37	16.30	18.65	47.96	61.39	78.22
	f. Depreciation and Amortisation expense	4.00	3.99	3.50	11.99	10.50	15.98
	g. Other Expenses	35.21	26.82	30.59	95.88	95.72	125.23
	Total Expenses	84.77	62.36	64.22	255.57	292.59	347.89
3	Profit / (Loss) from Operations before exceptional items (1 - 2)	-41.92	-38.69	-39.6	-120.64	-74.93	-113.18
4	Other Income	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit / (Loss) from ordinary activities before exceptional items (3 ± 4)	-41.92	-38.69	-39.60	-120.64	-74.93	-113.18
6	Exceptional Items - (Expenditure) / (Income)	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit / (Loss) from Ordinary Activities before tax (5 ± 6)	-41.92	-38.69	-39.60	-120.64	-74.93	-113.18
8	Tax Expense	0.00	0.00	0.00	0	0	0
9	Net Profit / (Loss) from Ordinary Activities after tax (7 ± 8)	-41.92	-38.69	-39.60	-120.64	-74.93	-113.18
10	Extraordinary Items (Net of Tax expense Rs. Nil)	0.00	0.00	0.00	0.00	0.00	0.00
11	Net Profit / (Loss) for the period (9 ± 10)	-41.92	-38.69	-39.60	-120.64	-74.93	-113.18
12	Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	0.00
13	Total Comprehensive Income	-41.92	-38.69	-39.60	-120.64	-74.93	-113.18
14	Paid-up Equity Share Capital (Face Value Rs. 5/- each)	304.20	304.20	304.20	304.20	304.20	304.20
15	Earning Per Equity Share						
	(a) Basic	-0.68	-0.64	-0.65	-1.98	-1.23	-1.86
	(b) Diluted	-0.68	-0.64	-0.65	-1.98	-1.23	-1.86

NOTES:

- The above results of the three months ended 31st December, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 2nd February, 2024.
- The Company operates only in only one business segment.
- The Statutory Auditors of the company have carried out a review of the results for the quarter ended 31.12.2023.
- In Compliance with the Ministry of Corporate Affairs (MCA) Notification dated 16th February, 2016, announcing the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), the Company has prepared its Standalone Financial Statements adopting Ind AS with effect 01st April, 2017 with transition date of 01st April, 2016.

For IVKOT HITECH TOOLROOM LIMITED

LIKHITTA DUGAR Digitally signed by LIKHITTA DUGAR
Date: 2024.02.02 17:12:02 +05'30'

LIKHITTA DUGAR
EXECUTIVE DIRECTOR
DIN: 09768742

Place : Chennai
Date : 11.2.2024

7 STATEMENT OF ACCOUNTING RATIOS

The following table sets forth the accounting ratios as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

(all amounts in ₹ Lakhs, unless stated otherwise)

S. No.	Particulars	As at	As at	As at	As at
		September 31, 2023	31st March 2023	31st March 2022	31st March 2021
		Reviewed	Restated		
A.	Net Worth	240.10	279.39	392.58	374.87
B.	Profit / (Loss) attributable to the owners of the equity	(78.68)	(113.19)	17.71	2.19
C.	Number of the shares outstanding at the end of the year	60,84,000	60,84,000	60,84,000	60,84,000
	Weighted Number of the shares outstanding at the end of the year				
D.	- for basic earnings per share	60,84,000	60,84,000	60,84,000	60,84,000
E.	- for diluted earnings per share	60,84,000	60,84,000	60,84,000	60,84,000
F.	Basic earnings per share (B/D) – In ₹.	(1.29)	(1.86)	0.29	0.04
G.	Restated diluted earnings per share (B/E) - In ₹.	(1.29)	(1.86)	0.29	0.04
H.	Return on net worth (%) (B/A)	(0.33)	(0.40)	4.51	0.58
	Net Asset Value per share				
I.	- based on weighted average number of shares (A/D) - In ₹.	3.95	4.59	6.45	6.18
J.	- assuming actual number of equity shares with fully diluted capital in prior years (A/E) - In ₹.	3.95	4.59	6.45	6.18
K.	EBITDA	(67.55)	(97.18)	39.64	18.91
L.	Face value – in ₹	5	5	5	5

Notes:

1. The amounts disclosed are based on Restated Financial Information of the Company

Basic earnings per share $\frac{\text{Net profit, attributable to the owners of the company}}{\text{Weighted average no. of equity shares during the year}}$

Diluted earnings per share $\frac{\text{Net profit, attributable to the owners of the company}}{\text{Weighted average no. of dilutive equity shares during the year}}$

Return on net worth (%) $\frac{\text{Net profit, attributable to the owners of the company}}{\text{Net worth, including share capital and reserves and surplus, as restated at the end of the year}}$

Net asset value per equity share $\frac{\text{Net worth, including share capital and reserves and surplus, as restated at the end of the year}}{\text{No. of equity shares outstanding at the end of the year}}$

EBITDA Profit before tax and exceptional items + Depreciation and Amortisation expense

8 CAPITALIZATION STATEMENT

Statement of Capitalization

(In ₹ Lakhs)

Particulars		Pre-Issue as at December 31, 2023	As adjusted for the issue (Post Issue)
Borrowings:			
Current borrowings	A	111.43	111.43
Non-current borrowings	B	0.00	0.00
Total borrowings	C=A+B	111.43	111.43
Shareholder's fund (Net worth)			
Share Capital	D	304.20	1014.00
Other Equity [^]	E	(64.10)	219.82
Total shareholder's fund (Net worth)	F=D+E	240.10	1233.82
Non-current borrowing's/shareholder's fund (Net worth) ratio	B/F	0.00	0.00
Total borrowings /shareholders' funds (Net worth) ratio	C/F	0.46	0.09

[^]*excludes non-controlling interest*

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
2. The amounts disclosed above are based on the Restated Financial Statements of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Restated Financial Statements" on page 75 of this Letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" on pages 19 and 14 respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our restated financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Financial 2022, Financial 2021 and Financial 2020 included herein is based on the Restated Financial Statements, included in this Letter of Offer. For further information, see "Restatement Financial Statements" on page 75 of this Letter of Offer.

OVERVIEW OF OUR BUSINESS

Our Business

We are one of the leading designers and manufacturers of injection moulds in India. We also supply injection-moulded components for a variety of industries including automotive and consumer products. We have successfully designed and manufactured multi-cavity high precision injection moulds for use in machines of size up to 1500 tons. Our facility is located at 131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai – 600 044

We currently offer the following services:

- Design and Manufacturing of Injection Moulds upto 8 Tons.
- Moulding Plastic components from 200 gms to 4000 gms
- Sub-Assembly

Our Business Strategies

1. Expanding our Product Range

Since the Chinese market has dried up completely, we intend to venture into the toys market in a big way. We also intend to manufacture Industrial Electrical Circuit Boards. We also propose to tap the middle class and lower middle class by producing products for tower fans, mixies and induction stoves.

2. Explore possibilities of geographical expansion

Our Company is currently situated in Chennai, Tamil Nadu and caters to the needs of the customers in the state of Tamil Nadu. We intend to explore other geographical locations like the North Eastern States, other cities like Bengaluru, Hyderabad and small international markets like Bangladesh and Sri Lanka.

3. Introducing our own Brand

We currently execute the orders on a contract basis wherein our products are used by other manufacturers. We propose to introduce our own brand Zada Star and market our products under the brand independently in the market,.

4. Augment our fund-based capacities in order to scale up business operations

We believe that companies with high liquidity on their balance sheet would be able to better negotiate with our sales orders. With the proceeds from the rights issue we intend to increase our manufacturing capabilities and profitability in the near future.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘Risk Factors’ on page 19 of this Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- adverse changes in central or state government policies
- trends in the Tool Room Industry Sector;
- adverse development that may affect our operations
- performance of our key clients;
- adverse effect of competition on our market share and profits;
- any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- Any adverse development that may affect the operations of our manufacturing unit;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labor laws or other regulatory developments;
 - manage our operating costs;
 - manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- adequate and timely supply of equipment and raw materials necessary for our operations;
- Our ability to attract and retain qualified personnel;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “Restated Financial Information” on page 75 of this Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the Notes to the Accounts in the chapter “Restated Financial Information” on page 75 of this Letter of Offer has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Examination Report issued by our Statutory Auditors has no reservations, qualifications and adverse remarks.

RESULTS OF OPERATIONS

COMPARISON OF FY2023 WITH FY 2022

The following table sets out selected data from the Restated Financial Statements for Financial Year 2023 and Financial Year 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2023		FY 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	225.04	95.88	834.67	99.23
Other Income	9.66	4.12	6.50	0.77
Total Income	234.71	100	841.17	100.00
Expenses				
Cost of Materials Consumed	121.15	51.62	508.40	60.44
Changes in Inventories in finished goods , work-in progress and stock-in-trade	7.29	3.11	30.60	3.64
Employee Benefit Expenses	78.22	33.33	89.16	10.60
Finance Cost	0.02	0.01	0.02	0.00
Depreciation and amortization expense	15.98	6.81	15.16	1.80
Other Expenses	125.23	53.36	173.37	20.61
Total Expenses	347.91	148.23	816.71	97.09
Profit / (Loss) before exceptional items and Tax	(113.19)	(48.23)	24.47	2.91
Exceptional Items	0.00	0.00	0.00	0.00
Restated Profit /(Loss) before tax	(113.19)	(48.23)	24.47	2.91
Tax Expense				
Current Tax	0.00	0.00	6.90	0.82
Deferred Tax	0.00	0.00	(0.14)	-0.02
Prior Period Tax Adjustments	0.00	0.00	0.00	0.00
Profit / (Loss) After Tax	(113.19)	(48.23)	17.71	2.11
Other Comprehensive Income/(Loss)	(113.19)	(48.23)	17.71	2.11
Total Comprehensive Income /(Loss)for the Year	(113.19)	(48.23)	17.71	2.11
Earnings per Share (Basic) (in Rs.)	(1.86)		0.29	
Earnings per Share (Diluted) (in Rs)	(1.86)		0.29	

Total income

Revenue from operations

Our revenue from operations comprises of revenue from sale of finished products.

Other Income

Other income comprises of interest income and other receipts from profit of sale of Asset and Miscellaneous Income.

Total Expenses

Our expenses consist of costs of materials consumed, employee benefit expense, finance cost, depreciation and amortisation expenses and other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, contribution to provident and other funds and other staff welfare expenses.

Finance Costs

Finance Costs consists of bank charges

Depreciation and amortisation expenses

Depreciation and amortization expenses consist of depreciation on tangible and intangible assets owned by our company.

Other expenses

Other expenses include consumables of standard parts, expenses on packing material, power and fuel, carriage inwards, legal and professional charges, rent expenses, labour charges, service charges, repairs to machinery, director's sitting fees, advertising and publicity, carriage outwards, conveyance and travel expenses, communication expenses, postage and courier, vehicle maintenance and miscellaneous expenses,

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Comparison of Historical Results of Operations

Financial Year 2023 compared to Financial Year 2022

Total Revenue

The total revenue for Financial year ended March 31, 2023 decreased from ₹ 841.17 lakhs during the financial year ended March 31, 2022 to ₹234.71 lakhs a decrease of ₹ 609.63 lakhs or 72.09%. This decrease was due to a change in management and change in the focus of activities of the Company.

Revenue from operations

Our revenue from operations decreased from ₹ 834.67 lakhs during the financial year ended March 31, 2022 to ₹ 225.04 lakhs in financial year ended March 31, 2023, a decrease of ₹ 609.63 lakhs or 73.04%. This decrease was due to a change in management and change in the focus of activities of the Company.

Other income

Other income decreased increased from ₹ 6.50 lakhs to ₹ 9.66 lakhs an increase of ₹ 3.16 lakhs or 48.61% This was due to increase in interest income, profit of sale of asset and miscellaneous income.

Total Expenses

Out total expenses decreased from 816.71 lakhs for the financial year ended March 31, 2022 to ₹347.91 lakhs for the financial year ended March 31, 2023 which was a decrease of ₹468.80 lakhs or 57.40% This was due to a

overall decrease in all expenses like cost of materials consumed, employee benefit expenses and other expenses.

Cost of Materials consumed

Our cost of materials consumed increased from ₹ 508.20 lakhs for the financial year ended March 31, 2022 to ₹ 121.15 lakhs for the financial year ended March 31, 2023 which was a decrease of ₹387.25 lakhs or 76.17%. This was due to a change in management and change in focus of activities of the Company.

Employee benefit expenses

Employee benefits expense for the year ended March 31 2022 was ₹89.16 lakhs compared to ₹ 78.22 lakhs for the year ended March 31, 2022. This was a marginal decrease of ₹10.94 lakhs or 12.27% over the previous year. This was due to a decrease in the number of employees and the employee benefit expenses.

Finance Costs

Finance costs for the year ended March 31, 2023 was ₹0.02 lakhs as compared to ₹0.02 Lakhs for the year ended March 31, 2022, and there was no increase or decrease of the finance costs.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2022 was ₹.15.16 lakhs as compared to ₹ 15.96 lakhs for the year ended March 31, 2023, a increase of ₹ 0.82 lakhs or 5.41%. There was no major addition to plant and machinery or any equipment during the year.

Other expenses

Other expenses for the year ended March 31, 2023 was ₹ 125.23 Lakhs as compared to ₹ 173.37 lakhs for the year ended March 31, 2022, a decrease of 48.14 Lakhs or 27.77% over the previous year. This was due to an increase in packing materials, power and fuel, carriage inwards, legal and professional expenses, but an increase in directors sitting fees, advertisement and publicity, carriage outwards and conveyance / travelling expenses.

Profit/(Loss) before Tax

The profit before tax for the year ended March 31, 2022 was ₹ 24.47 lakhs as compared to a loss of ₹ (113.19) lakhs for the year ended March 31, 2023, a decrease of ₹ 137.66 or by more than 500%.. This was due to a steep decrease in total revenue as compared to the previous year and a marginal decrease in expenses.

Taxation

Total tax expense for the year ended March 31, 2022 was ₹ 7.04 Lakhs as compared to ₹ Nil lakhs for the year ended March 31, 20221.

Profit/Loss after Tax

As a result of the aforesaid, Our Company made a loss of ₹ (113.19) lakhs for the year ended March 31, 2023 as compared to a profit of ₹ 17.71 lakhs for the financial year ended March 31, 2022.

COMPARISON OF FY 2022 WITH FY 2021

The following table sets out selected data from the Restated Financial Statements for Financial Year 2022 and Financial Year 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2022		FY 2021	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	834.67	99.23	622.62	98.69
Other Income	6.50	0.77	8.25	1.31
Total Income	841.17	100.00	630.87	100.00
Expenses				
Cost of Materials Consumed	508.40	60.44	401.21	63.60
Changes in Inventories in finished goods , work-in progress and stock-in-trade	30.60	3.64	(26.00)	-4.12
Employee Benefit Expenses	89.16	10.60	81.73	12.96
Finance Cost	0.02	0.00	0.04	0.01
Depreciation and amortization expense	15.16	1.80	15.46	2.45
Other Expenses	173.37	20.61	155.00	24.57
Total Expenses	816.71	97.09	627.45	99.46
Profit / (Loss) before exceptional items and Tax	24.47	2.91	3.42	0.54
Exceptional Items	0.00	0.00	0.00	0.00
Restated Profit / (Loss) before tax	24.47	2.91	3.42	0.54
Tax Expense				
Current Tax	6.90	0.82	0.60	0.10
Deferred Tax	(0.14)	-0.02	0.63	0.10
Prior Period Tax Adjustments	0.00	0.00	0.00	0.00
Profit / (Loss) After Tax	17.71	2.11	2.19	0.35
Other Comprehensive Income/(Loss)	17.71	2.11	2.19	0.35
Total Comprehensive Income / (Loss) for the Year	17.71	2.11	2.19	0.35
Earnings per Share (Basic) (in Rs.)	0.29		0.04	
Earnings per Share (Diluted) (in Rs)	0.29		0.04	

Total income

Revenue from operations

Our revenue from operations comprises of revenue from sale of finished products.

Other Income

Other income comprises of interest income and other miscellaneous income.

Total Expenses

Our expenses consist of costs of materials consumed, employee benefit expense, finance cost, depreciation and amortisation expenses and other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, contribution to provident and other funds and other staff welfare expenses.

Finance Costs

Finance Costs consists of interest on borrowings from banks and bank charges

Depreciation and amortisation expenses

Depreciation and amortization expenses consist of depreciation on tangible and intangible assets owned by our company.

Other expenses

Other expenses include expenses on packing material, power and fuel, carriage inwards, legal and professional charges, rent expenses, labour charges, service charges, repairs to machinery, director's sitting fees, advertising and publicity, carriage outwards, conveyance and travel expenses, communication expenses, postage and courier, vehicle maintenance, miscellaneous expenses, AGM Expenses, audit fees, bad debts written off, insurance premium, business promotion expenses, regulatory fees, licence fees, general charges, printing and stationery and books and periodicals.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Comparison of Historical Results of Operations

Financial Year 2022 compared to Financial Year 2021

Total Revenue

The total revenue for Financial year ended March 31, 2022 increased from ₹ 630.87 lakhs during the financial year ended March 31, 2021 to ₹841.47 lakhs an increase of ₹ 210.03 lakhs or 33.33% This increase was due to an increase in sale of finished products.

Revenue from operations

Our revenue from operations increased from ₹ 622.62 lakhs during the financial year ended March 31, 2021 to ₹ 834.67 lakhs in financial year ended March 31, 2022, an increase of ₹ 212.05 lakhs or 34.06%. This was mainly due to increase in the sale of finished products.

Other income

Other income decreased from ₹ 8.25 lakhs to ₹6.50 lakhs a decrease of ₹ 1.75 lakhs or 21.21% This decrease was due to a reduction in interest income.

Total Expenses

Our total expenses increased from ₹627.45 lakhs for the financial year ended March 31, 2021 to ₹816.71 lakhs for the financial year ended March 31, 2022 which was an increase of ₹189.26 lakhs or 30.16%. This was due to an increase in cost of materials consumed, employee benefit expenses and other expenses.

Cost of Materials consumed

Our cost of materials consumed increased from ₹ 401.21 lakhs for the financial year ended March 31, 2021 to ₹ 508.20 lakhs for the financial year ended March 31, 2022 which was an increase of ₹107.19 lakhs or 26.72 %. This was due to an increase in sales during the financial year ending March 31, 2022 and hence the increase in the cost of materials consumed.

Employee benefit expenses

Employee benefits expense for the year ended March 31 2022 was ₹89.76 lakhs compared to ₹ 81.73 lakhs for the year ended March 31, 2021. This was an increase of ₹7.43 lakhs or 9.09% over the previous year. This was due to an increase in salaries and other staff welfare expenses.

Finance Costs

Finance costs for the year ended March 31, 2022 was ₹0.02 lakhs as compared to ₹0.04 Lakhs for the year ended March 31, 2021, a decrease of ₹ 0.02 lakhs or 50% which was due to a decrease in bank loans and other borrowings.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2022 was ₹.15.16 lakhs as compared to ₹ 15.46 lakhs for the year ended March 31, 2021, a decrease of ₹ 0.30 lakhs or 1.94%. There was no addition to plant and machinery and equipment during the year.

Other expenses

Other expenses for the year ended March 31, 2022 was ₹ 173.37 lakhs as compared to ₹ 155.00 lakhs for the year ended March 31, 2021, an increase of ₹ 18.37 lakhs or 11.85% over the previous year. This was due to an increase in legal and professional charges, rent, carriage outwards, listing fees, general charges and sales tax payments during the year ended March 31, 2022.

Profit/(Loss) before Tax

The profit before tax for the year ended March 31, 2022 was ₹ 24.47 lakhs as compared to ₹ 3.42Lakhs for the year ended March 31, 2021, an increase of ₹ 21.05Lakhs or more than 615% . This was due to an increase in total revenue as compared to the previous year and a marginal increase in expenses.

Taxation

Total tax expense for the year ended March 31, 2022 was ₹ 7.04Lakhs as compared to ₹ 1.23 lakhs for the year ended March 31, 2021.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year for the year ended March 31, 2022 of ₹ 17.71 lakhs as compared to ₹ 2.19 lakhs for the financial year ended March 31, 2021.

COMPARISON OF FY 2021 WITH FY 2020

The following table sets out selected data from the Restated Financial Statement for Financial Year 2021 and Financial Year 2020, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2021		FY 2020	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	622.62	98.69	713.43	98.96
Other Income	8.25	1.31	7.52	1.04
Total Income	630.87	100.00	720.95	100.00
Expenses				
Cost of materials consumed	401.21	63.60	357.09	49.53
Changes in Inventories in finished goods, work-in progress and stock-in-trade	(26.00)	-4.12	19.04	2.64
Employee Benefit Expenses	81.73	12.96	89.47	12.41
Finance Cost	0.04	0.01	3.76	0.52
Depreciation and amortization expense	15.46	2.45	16.50	2.29
Other Expenses	155.00	24.57	243.22	33.74
Total Expenses	627.45	99.46	729.09	101.13
Profit / (Loss) before exceptional items and Tax	3.42	0.54	(8.13)	-1.13
Exceptional Items	0.00	0.00	0.00	0.00
Restated Profit / (Loss) before tax	3.42	0.54	(8.13)	-1.13
Tax Expense				
Current Tax	0.60	0.10	0.00	0.00
Deferred Tax	0.63	0.10	1.17	0.16
Prior Period Tax Adjustments	0.00	0.00	0.65	0.09
Profit / (Loss) After Tax	2.19	0.35	(9.95)	-1.38
Other Comprehensive Income/(Loss)	2.19	0.35	(9.95)	-1.38
Total Comprehensive Income / (Loss) for the Year	2.19	0.35	(9.95)	-1.38
Earnings per Share (Basic) (in Rs.)	0.04		(0.16)	
Earnings per Share (Diluted) (in Rs)	0.04		(0.16)	

Comparison of Historical Results of Operations

Financial Year 2021 compared to Financial Year 2020

Total Revenue

The total revenue for financial year ended March 31, 2021 decreased from ₹720.95 lakhs during the financial year ended March 31, 2020 to ₹ 630.87 lakhs which was a decrease of ₹90.08 lakhs or 12.49%. This decrease was mainly due to a reduction in the sales which was affected due to the Covid-19 Pandemic.

Revenue from Operations

Our revenue from operations decreased from ₹ 713.43 Lakhs during the financial year ended March 31, 2020 to

₹ 622.24 Lakhs in financial year ended March 31, 2021, a decrease of by ₹ 90.81 lakhs or 12.73% as our sales were drastically affected due to the Covid-19 Pandemic and the lock-down during FY 2021.

Other income

Other income increased from ₹7.52 lakhs in financial year ended March 31, 2020 to ₹ 8.50 lakhs for the financial year ended March 31, 2021 an increase of ₹0.73 Lacs or 9.71%. This increase was due to an increase in interest income and other miscellaneous income

Total Expenses

Out total expenses decreased from ₹ 729.09 lakhs for the financial year ended March 31, 2020 to ₹ 627.45 lakhs financial year ended March 31, 2021 a decrease of ₹ 101.64 lakhs or 13.94%, which was mainly due to a major decrease in finance costs and other expenses.

Cost of Materials consumed

Our cost of materials consumed increased from ₹ 357.08 lakhs for the financial year ended March 31, 2020 to ₹ 401.21 lakhs for the financial year ended March 31, 2021 which was an increase of ₹44.13 lakhs or 12.36 %. This was due to an increase in the cost of the raw materials used in the manufacturing.

Employee benefit expenses

Employee benefits expense for the year ended March 31 2021 was ₹ 81.73 lakhs compared to ₹ 89.47 lakhs for the year ended March 31, 2020. This was a decrease of ₹ 7.74 lakhs or 8.65% over the previous year. This was due to a decrease in salaries and other staff benefit expenses.

Finance Costs

Finance costs for the year ended March 31, 2021 was ₹ 0.04 lakhs as compared to ₹ 3.76 lakhs for the year ended March 31, 2020, a reduction of ₹3.72 lakhs or 98.94%. This was due to a reduction in the interest on the borrowings from banks and bank charges.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2021 was ₹.15.46 lacs as compared to ₹ 16.50 lakhs for the year ended March 31, 2020, a decrease of ₹ 1.04 lakhs or 6.30%. This was because of no increase in any plant and machinery.

Other expenses

Other expenses for the year ended March 31, 2021 was ₹ 155.00 lakhs as compared to ₹.243.22 lakhs for the year ended March 31, 2020, a decrease of ₹ 88.22 lakhs or 36.27% over the previous year. This was due to decrease in rent expenses, power and fuel, labour charges, carriage outwards and vehicle maintenance charges in the year ended March 31, 2021.

Profit/(Loss) before Tax

The profit before tax for the year ended March 31, 2021 was ₹ 3.42 lakhs as compared to a loss of ₹ 8.13 lakhs for the year ended March 31, 2020, an increase of ₹ 11.55 lakhs or 142.07%. This was due to a marginal increase in revenue with a major decrease in expenditure.

Taxation

Total tax expense for the year ended March 31, 2021 was ₹ 1.23 lakhs as compared to ₹ 1.82 lakhs for the year ended March 31, 2020, which was mainly due to the absence of current taxes in the year ended March 2020, prior period adjustments in the year ended March 31, 2020 and a decrease in deferred taxes during the year ended March 31, 2021.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year for the year ended March 31, 2021 of ₹ 2.91 lakhs as compared to a loss of ₹9.95 Lakhs for the financial year ended March 31, 2020.

COMPARISON OF NINE MONTH PERIOD ENDED DECEMBER 2023 WITH DECEMBER 2022

The following table sets out selected data from the unaudited Financial Statement for the nine month period ended December 31, 2023 and Nine Month Period ended December 31, 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	Nine month period ended December 31, 2023		Nine month Period ended December 31, 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	126.37	93.66	211.73	97.28
Other Operating Income	8.56	6.34	5.93	2.72
Total Income	134.93	100.00	217.66	100.00
Expenses				
Cost of materials consumed	125.54	93.04	119.17	54.75
Changes in Inventories in finished goods, work-in progress and stock-in-trade	(31.20)	(23.12)	5.81	2.67
Employee Benefit Expenses	47.36	35.10	61.39	28.20
Finance Cost	6.00	4.45	0.00	0.00
Depreciation and amortization expense	11.99	8.89	10.50	4.82
Other Expenses	95.88	71.06	95.72	43.98
Total Expenses	255.57	189.41	292.59	134.43
Profit / (Loss) before exceptional items and Tax	(120.64)	(89.41)	(74.93)	(34.43)
Exceptional Items	0.00	0.00	0.00	0.00
Profit /(Loss) before tax	(120.64)	(89.41)	(74.93)	(34.43)
Tax Expense				
Current Tax	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	0.00	0.00
Prior Period Tax Adjustments	0.00	0.00	0.00	0.00
Profit / (Loss) After Tax	(120.64)	(89.41)	(74.93)	(34.43)
Other Comprehensive Income/(Loss)	0.00	0.00	0.00	0.00
Total Comprehensive Income /(Loss)for the Year	(120.64)	(89.41)	(74.93)	(34.43)
Earnings per Share (Basic) (in Rs.)	(1.98)		(1.23)	
Earnings per Share (Diluted) (in Rs)	(1.98)		(1.23)	

Comparison of Historical Results of Operations

Comparison of nine months period December 31, 2023 with nine month period ended December 31, 2022

Total Revenue

The total revenue decreased from ₹ 217.66 lakhs for the nine period ended December 31, 2022 to ₹ 126.37 lakhs for the nine month period ended December 31, 2023 which was a decrease of ₹82.73 lakhs or 38.01%. This

decrease was mainly due to a reduction in the sales which was affected due to the Covid-19 Pandemic.

Revenue from Operations

The total revenue decreased from ₹ 211.73 lakhs for the nine month period ended December 31, 2022 to ₹ 134.93 lakhs for the nine month period ended December 31, 2023 which was a decrease of ₹76.78 lakhs or 36.26%. This decrease was mainly due to a reduction in the sales which was affected due to the Covid-19 Pandemic.

Other Operating income

Other income increased from ₹5.93 lakhs for the nine month period ended December 31, 2022 to ₹ 8.56 lakhs for the nine month period ended December 31, 2023 an increase of ₹ 2.63 Lacs or 44.35%. This increase was due to an increase in interest income and other miscellaneous income

Total Expenses

Out total expenses decreased from ₹ 292.59 lakhs for the nine month period ended December 31, 2022 to ₹ 255.57 lakhs for the nine month period ended December 31, 2023 a decrease of ₹ 37.02 lakhs or 12.65%, which was mainly due to a decrease in employee benefit expenses.

Cost of Materials consumed

Our cost of materials consumed increased from ₹ 119.17 lakhs for the nine month period ended December 31, 2022 to ₹ 125.54 lakhs for the nine month period ended December 31, 2023 an increase of ₹ 6.37 lakhs or 5.07%. This was due to an increase in the cost of the raw materials used in the manufacturing.

Employee benefit expenses

Employee benefits expense decreased from ₹ 61.39 lakhs for the nine month period ended December 31, 2022 to ₹ 47.36 lakhs for the nine month period ended December 31, 2023. This was a decrease of ₹ 22.85 lakhs or 8.65% over the previous year. This was due to a decrease in salaries and other staff benefit expenses.

Finance Costs

Finance costs increased from Nil lakhs for the nine month period ended December 31, 2022 to ₹ 6.00 lakhs for the nine month period ended December 31, 2023 a reduction of ₹6.00 lakhs or 100%. This was due to availing of loans during the period.

Depreciation and Amortisation Expense

Depreciation and amortization expense increased from ₹ 10.50 lakhs for the nine month period ended December 31, 2022 to ₹ 11.99 lakhs for the nine month period ended December 31, 2023 an increase of ₹ 1.49 lakhs or 14.19%. This was because of a marginal increase in plant and machinery.

Other expenses

Other expenses increased from ₹ 95.72 lakhs for the nine month period ended December 31, 2022 to ₹ 95.88 lakhs for the nine month period ended December 31, 2023 a marginal increase of ₹ 0.16 lakhs.

Profit/(Loss) before Tax

The loss before tax lakhs for the nine month period ended December 31, 2022 was ₹ (74.93) lakhs as compared to ₹ (120.64) for the nine month period ended December 31, 2023, an increase of ₹ 45.71 lakhs or 61.00%. This was due to a reduction in revenue from operations and no major decrease in expenditure.

Taxation

Total tax expense was Nil during the nine month period ended December 31, 2022 and the nine month period ended December 31, 2023.

Profit/Loss after Tax

As a result of the aforesaid, Our Company recorded a loss of ₹ (120.64) lakhs for the nine month period ended December 31, 2023 as compared to ₹ (74.93) lakhs for the nine month period ended December 31, 2022, an increase of ₹ 45.71 lakhs or 61.00%..

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

Particulars	March 31, 2023	(₹ in Lakhs)	
		March 31, 2022	March 31, 2021
		Restated	
Net Cash Flow from/ (used in) Operating Activities (A)	(28.43)	56.95	(17.36)
Net Cash Flow used in Investing Activities (B)	(3.65)	7.29	12.34
Net Cash Flow used in Financing Activities (C)	(0.02)	(0.02)	(0.04)
Net increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(32.10)	64.22	(5.06)
Cash and cash equivalents at the beginning of the year/period	192.32	128.10	133.16
Cash and cash equivalents at year/ period end	160.22	192.27	127.93

Cash generated from Operating Activities

Net cash from operating activities for the year ended March 31, 2023 was ₹ (28.43) lakhs as compared to the profit/(loss) before tax of ₹ (113.19) Lakhs for the same period. This difference is primarily on account of Depreciation, Interest income, profit on sale of fixed asset, finance cost, trade and other receivables, trade payables and inventories.

Net cash from operating activities for the year ended March 31, 2022 was ₹ 56.95lakhs as compared to the profit/(loss) before tax of ₹ 24.47 Lakhs for the same period. This difference is primarily on account of Depreciation, Interest income, finance cost, trade and other receivables, trade payables and inventories.

Net cash used in operating activities for the year ended March 31, 2021 was ₹ 17.39lakhs as compared to the profit/(loss) before tax of ₹3.42 Lakhs the same period. This difference is primarily on account of Depreciation, Interest income, finance cost, trade and other receivables, trade payables and inventories.

Net Cash used in Investing Activities

Net cash generated in investing activities for the year ended March 31, 2023 was ₹ (3.65) lakhs. This was on account of purchase of property, plant and equipment, proceeds from sale of fixed asset, interest received and long term loans and advances

Net cash generated in investing activities for the year ended March 31, 2022 was ₹ 7.29 lakhs. This was on account of interest received and long term loans and advances.

Net cash generated in investing activities for the year ended March 31, 2021 was ₹ 12.34 lakhs. This was on account of interest received and reduction in long term loans and advances.

Net Cash flow used in Financing Activities

Net cash flows used in financing activities for the year ended March 31, 2022 was ₹ 0.02 lakhs. This was on account of finance costs.

Net cash flows used in financing activities for the year ended March 31, 2022 was ₹ 0.02 lakhs. This was on account of finance costs.

Net cash flows used in financing activities for the year ended March 31, 2021 was ₹ 0.04 lakhs This was on

account of finance costs.

Contingent Liabilities

We have no contingent liabilities as on March 31, 2022.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Credit Risk: Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or other counterparties.

Interest Rate Risk: The Company is subject to interest rate risk, principally because it lends to customers at fixed interest rates and for periods that may differ from its funding sources, which bear fixed and floating rates. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

Operational Risk: Operational risks are risks arising from inadequate or failed internal processes, people and systems or external events. The internal control includes effective separation of functions, segregation of roles and responsibilities, reliance on the maker-checker concept, monitoring of exceptions, etc. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing policies and procedures to monitor transactions, maintaining necessary back-up procedures and undertaking contingency planning.

Liquidity Risk: Liquidity risk arises due to the unavailability of an adequate amount of funds to meet the Company's financial obligations at an appropriate price and tenure. The Company attempts to minimise this risk through a mix of strategies, including diversification of sources of funds, securitisation and assignment of receivables, fixing caps on short term funds and maintaining liquidity buffer.

Business Risk: The Company, being an NBFC, is exposed to various external risks which have a direct bearing on the sustainability and profitability of the Company. Foremost amongst them are Industry Risk and Competition Risk. The volatile macroeconomic conditions and change in sector dynamic in various commercial segments cause ups and downs in the business and may result in impairment of loan assets.

Regulatory Risk: It is the risk of change in-laws and regulations materially impacting the business. All the periodic guidelines issued by regulators including the RBI, SEBI, NHB, IRDA are fully adhered to and complied with by the Company. The Company strictly adheres to the Capital Adequacy, Fair Practices Code, Asset Classification and Provisioning Norms, submission of all required returns to the regulators with zero tolerance for non-compliance.

Reputation Risk: Reputational risk is the risk of possible damage to the company's brand and reputation, and the associated risk to earnings, capital or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "Restated Financial Information - Related Party Transactions" on page 85 of this Letter of Offer.

Qualitative Disclosure about Market Risk

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “Risk Factors” and chapter titled “Management's Discussion and Analysis of Financial Conditions and Results of Operations” on page 19 and page 98 respectively of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “Risk Factors” on page 19 of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page 19 and 98 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths we will be able to stay competitive. For further details, kindly refer the chapter titled “Our Business” on page 56 of this Letter of Offer.

Total Turnover of Each Major Business Segment

We are operating only in one segment which is investment.

New Product or Business Segment

Except as disclosed in “Our Business” on page 56 of this Letter of Offer, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since December 31, 2023, the date of the last financial information disclosed in this Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on December 31, 2023 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

Nature of Borrowings	Principal Amount outstanding as on December 31, 2023
Bank Overdraft	111.43

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and being traded on the BSE

- a. Year is a Financial Year;
- b. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- c. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- d. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

Financial Year	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the Year
2021	9.32	04/03/2021	10	93	4.85	17/11/2020	620	3007	6.21
2022	23.50	07/02/2022	1161	26837	7.95	04/05/2021	1770	14107	12.51
2023	26.75	16/02/2023	8612	221768	9.74	12/07/2022	50	487	17.37

(Source: www.bseindia.com)

Notes: High, low and average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

Market Prices for the last three calendar months

The total number of days that the Equity Shares were traded on the BSE during the last .3 calendar months from April 01, 2023 to June 30, 2023 was 49 days The average volume of the Equity Shares traded on the BSE were 64,292 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on BSE during the last Eleven calendar months preceding the date of filing of this Letter of Offer are as follows:

Month (2022)	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the month
April	28.13	27/04/2023	7813	229045	16.03	03/04/2023	3910	600096	22.11
May	25.40	02/05/2023	510	12954	18.79	30/05/2023	10	187	22.72
June	27.70	15/06/2023	9895	266433	20.70	01/06/2023	701	14510	24.22
July	24.50	03/07/2023	2030	48808	16.20	26/07/2023	130	2106	19.58
August	21.60	11/08/2023	562	11985	17.86	07/08/2023	120	2144	19.98
September	24.85	29/09/2023	221	5285	17.01	20/09/2023	3758	66479	20.75
October	26.89	10/10/2023	5091	131713	20.40	31/10/2023	1025	20910	23.51
November	25.09	12/11/2023	417	10440	19.56	07/11/2023	624	12665	22.82
December	23.20	15/12/2023	1436	29058	19.86	27/12/2023	1436	29058	22.28
January	26.80	20/01/2024	1857	45592	21.50	08/01/2024	17823	409401	23.77
February	35.17	12/02/2024	16692	557251	24.67	20/02/2024	1746	47008	28.67

(Source: www.bseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on February 10, 2023. The high and low prices of our Company's shares as quoted on BSE on February 13, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (in ₹)	Highest Price (in ₹)	Lowest Price (in ₹)
February 13, 2023	903063	26.80	24.30

(Source: www.bseindia.com)

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes; and (iv) other pending litigations as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors and our Promoter (“**Related Party**”). Further, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on February 10, 2023 for the purposes of disclosure, any pending litigation involving Related Parties other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered ‘material’ where:

- i. the claim/dispute amount, to the extent quantifiable, not less than 10% of the total revenue of the Company, as per the last restated financial statements (“**Materiality Threshold**”) would be considered ‘material’ for disclosure of this Letter of Offer; and
- ii. the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company’s business, operations, cash flows, financial position or reputation of the Company.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors, our Promoters or our Subsidiaries, shall not be considered as litigation until such time that any of our Company and, our Director, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority. Or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only.

I. **Litigation involving our Company**

A. *Litigation filed against our Company*

1. **Criminal Proceedings**

Nil

2. **Material Civil Proceedings**

Nil

B. *Litigation filed by the Company*

1. **Criminal Proceedings**

Nil

2. **Material Civil Proceedings**

Nil

C. *Tax Proceedings*

Nil

D. *Actions outstanding with Regulatory or Statutory Authorities*

- (a) Deputy Director ESI had issued Order under Section-45A of ESI Act against erstwhile Elcot Hitech Tool Rooms Ltd and demanded payment of Rs. 110146/- for the period from 10/2001 to 03/2002 with interest @ 15% for each day of default. ElcotHightech Tool Rooms Ltd did not comply with the said Order.

- (b) Elcot Hitech Tool Rooms Ltd was declared sick under erstwhile SICA on 07/02/2003 vide proceedings of BIFR Bench-I in case No. 439/2002. Scheme was approved on 08/01/2007 in the said case proceedings. As per Para-8.2(d) of the approved scheme, total liability towards ESI department was adjudicated at Rs. 5,65,097/- as on 31/03/2006. The BIFR had waived Rs. 3,38,684/- towards Interest and damages claim of ESI department and directed Elcot Hitech Tool Rooms Ltd to pay Rs. 2,26,413/- alone in 06 convenient instalments.
- (c) Elcot Hitech Tool Rooms Ltd has paid Rs. 226413/- to ESI Department in compliance of the approved scheme (though no evidence of payment has been produced).
- (d) ESI Department did not accept the approved scheme of BIFR and again issued demand notice on 08/04/2009 for balance amount along with interest / damages thereat. The total demand of ESI department inclusive of interest / damages is to a tune of Rs. 7,66,364/-. The company had contested the demand and filed EIOP No. 123/2009 before ESI Principal Labour Court, Chennai. Hon'ble Court had dismissed the said OP on 02/03/2021.
- (e) The Company has filed an appeal in CMA No. 3404/2021 in the High Court of Judicature at Madras against the dismissal of EIOP 123/2009 by Hon'ble ESI Principal Labour Court. The Hon'ble High Court was pleased to grant interim injunction against the ESI department in CMP No. 19645/2021 filed in CMA 3404/2021 on 08/12/2021 against recovery of alleged demand. The CMA is currently pending adjudication on the files of Hon'ble High Court of Madras.

Litigations involving our directors

A. Litigation filed against our Directors

1. Criminal Proceedings

Nil

2. Material Civil Proceedings

Nil

B. Litigation filed by our Directors

1. Criminal Proceedings

Nil

2. Material Civil Proceedings

Nil

C. Tax Proceedings

Nil

D. Actions outstanding with Regulatory or Statutory Authorities

Nil

Litigations involving our Promoters

A. Litigation filed against our Promoters

1. Criminal Proceedings

Nil

2. Material Civil Proceedings

Nil

B. Litigation filed by our Promoters

1. Criminal Proceedings

Nil

2. Material Civil Proceedings

Nil

C. Tax Proceedings

Nil

D. Actions outstanding with Regulatory or Statutory Authorities

Nil

Confirmations

There have been no past cases in which penalties have been imposed on the Company, its Subsidiaries, its Directors and its Promoters.

Our Company, Promoter, and our Directors have not been categorised or identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

There has been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Company, its Subsidiaries, its Directors and its Promoters during the last 5 financial years.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As on March 31, 2023, the details of amounts outstanding towards small scale undertakings and other creditors are as follows:

Particulars	Amount (in ₹)
To MSMEs	2,55,722
To Others	7,32,855

STATEMENT OF MATERIAL DEVELOPMENTS

Except as stated below and in this Letter of Offer, to our knowledge, no circumstances have arisen since December 31, 2023, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The CFO of our Company Mr Chandrasekharan has resigned and Mr G Raghavenran has been appointed as the CFO of our Company with effect from February 06, 2024.

SECTION VII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors at its meeting held on February 10, 2023, have authorised this Issue pursuant to Section 62(1)(c) of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on March 20, 2024 determined the Issue Price as ₹ 7 per Rights Equity Share and the Rights Entitlement as Seven (7) Rights Equity Share for every Three (3) Equity Share held on the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee (duly constituted by the Board) in their meeting on April 06, 2023 pursuant to its resolution dated April 06, 2023.

The Letter of Offer has been approved by our Board of Directors in their meeting on March 20, 2024.

Our Company has received 'in-principle' approval letter from BSE vide letter dated June 19, 2023 for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28(1) of SEBI Listing Regulations. Our Company will also make applications to BSE Limited to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE079L20011 for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 127 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of the Promoter and the Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter and Directors have been categorized or identified as willful defaulters or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on the BSE. We are eligible to undertake the Issue in terms of Chapter III of SEBI ICDR Regulations. Pursuant to Clause (3)(a) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is less than ₹5000 lakhs.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.iykot.com or the respective websites of an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding center.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra only.

DISCLAIMER CLAUSE OF BSE

“BSE Limited (“the Exchange”) has given vide its letter dated June 19, 2023, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. 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 may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”.

Designated Stock Exchange

BSE being the only stock exchange where the Company’s shares are listed, the Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer / Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer / Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

The Draft Letter of Offer has been filed with the BSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" at page 127 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Cameo Corporate Services Private Limited.

Subramanian Building, No. 01, Club House Road,
Chennai- 600 002, Tamil Nadu, India.

Telephone: +91044 4002 0700/ 0710/ 2846 0390 **Facsimile:** N.A.

Email: cameo@cameoindia.com;

Website: www.cameoindia.com

Investor grievance e-mail: investor@cameoindia.com

Contact Person: Sreepriya K.

SEBI Registration No.: INR000003753

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit /Refund Orders etc.

Mr P Udayakumar is the Company Secretary and Compliance Officer of our Company. His contact details are:

131/2, Thiruneermalai Road,
Nagalkeni, Chromepet,
Chennai – 600 044
Tamil Nadu, India
Tel. No. +91-44-43162280;
E-mail: info@iykot.com;

Consents and Expert Opinion

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor to the Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated July 01, 2023 from our Statutory and Peer Reviewed Auditor, namely Vivekanandan Associates., Chartered Accountants for inclusion of their examination report dated July 01, 2023 on our Restated Financial Information for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021; and to include their name in this Letter of Offer and as an ‘Expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated July 01, 2023 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

None of our Subsidiaries or associate companies are listed as on date of this Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchange, please refer to the chapter titled “Market Price Information” on page 115 of this Letter of Offer.

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Circulars SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association of our Company, the provisions of Companies Act, the terms and conditions as may be incorporated in the FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (**‘Issue Materials’**) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.iykot.com;
- b) the Registrar to the Issue at <https://rights.cameoindia.com/iykot>; and
- c) the Stock Exchange at www.bseindia.com;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://rights.cameoindia.com/iykot> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.iykot.com).

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please

see “*Terms of Issue—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 139 of this Letter of Offer

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see “*Terms of Issue—Grounds for Technical Rejection*” on page 135 of this Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 131 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> .

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- a. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialised form only.
- c. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f. Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- h. 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. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c. Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e. Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Iykot Hitech Toolroom Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as at Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ 1.75 per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at rights.cameoindia.com; and
17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “*Restrictions on Purchases and Resales*” on page 154 of this Letter of Offer, and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 154 of the Letter of Offer.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/iykot>.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 131 of this Letter of Offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Terms of Issue—Basis of Allotment*” on page 147 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements in full or part cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the

Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 131 of this Letter of Offer.
- d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. The investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.
- t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.
- s) **IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**
- t) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

- u) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- v) The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- w) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.
- x) Application forms supported by the amount blocked from a third party bank account.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see “*Terms of Issue—Procedure for Applications by Mutual Funds*” on page 138 of this Letter of Offer.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure*” on page 38 of this Letter of Offer.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may

be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, inter alia, the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the 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.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will 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 will 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 Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Wednesday, May 08, 2024 i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*Terms of Issue—Basis of Allotment*” on page 147 of this Letter of offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective

ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://rights.cameoindia.com/iykot>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.iykot.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is INE079L20011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar <https://rights.cameoindia.com/iykot>. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, "IYKOT HITECH TOOLROOM LIMITED RIGHTS ISSUE SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating

to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by Friday, May 03, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on

or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ 1.75 per Rights Equity Share (including premium of ₹0.50 per Rights Equity Share) shall be payable on Application.

₹ 5.25 per Rights Equity Share (including premium of ₹ 1.50 per Rights Equity Share) shall be payable as first and final call as per the decision of the Board of Directors or Rights Issue committee.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: INE079L20011 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, April 24, 2024 to Tuesday, April 30, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE079L20011 Number indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demataccounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE079L20011 the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and

subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see “*The Issue*” on page 32 of this Letter of Offer.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of Seven (7) Equity Share for every Three (3) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than Three (3) Equity Shares or not in the multiple of Three (3) the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Eligible Equity Shareholders can apply for additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up rank *pari-passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/ PREF/CP/FIP/166/2023-24 dated June 19, 2023. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code:522245) under the ISIN: INE079L01013. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of our Promoter Group

Our promoters Ms Annjana Dugar and Ms Likhitta Dugar intend to subscribe to their entitlement in the rights issue, to the shares that are renounced in their favour and to any unsubscribed portion in the Issue, while the other promoters have not given such an undertaking.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to receive surplus on liquidation;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

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 the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Tamil language daily newspaper with wide circulation (Tamil being the regional language of Chennai, where our Registered Office is located).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters

of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at (<https://rights.cameoindia.com/iykot>). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to info@iykot.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 150 OF THIS LETTER OF OFFER.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Monday, April 22, 2024
ISSUE OPENING DATE	Wednesday, April 24, 2024
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Tuesday, April 30, 2024
ISSUE CLOSING DATE*	Wednesday, May 08, 2024
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Tuesday, May 14, 2024
DATE OF ALLOTMENT (ON OR ABOUT)	Wednesday, May 15, 2024
DATE OF CREDIT (ON OR ABOUT)	Friday, May 17, 2024
DATE OF LISTING (ON OR ABOUT)	Monday, May 20, 2024

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

* Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., Friday, May 03, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Tuesday, May 07, 2024. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., <https://rights.cameoindia.com/iykot>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/iykot>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or its Rights Issue Committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the

Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days’ period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed

as eligible to get refunds through NEFT or Direct Credit or RTGS.

- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated April, 30, 2010 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated May 25, 2010 amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialised form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person

guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
3. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. As of the date of this Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Letter of Offer, our Company has not issued any outstanding convertible debt instruments.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XV. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “**IYKOT HITECH TOOLROOM LIMITED– Rights Issue**” on the envelope and postmarked in India) to the Registrar at the following

address:

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 01, Club House Road,
Chennai- 600 002, Tamil Nadu, India.

Telephone: +91044 4002 0700/ 0710/ 2846 0390 **Facsimile:** N.A.

Email: rights@cameoindia.com;

Website: <https://rights.cameoindia.com/iykot/> / www.cameoindia.com

Investor grievance e-mail: investor@cameoindia.com

Contact Person: Sreepriya K.

SEBI Registration No.: INR000003753

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://rights.cameoindia.com/iykot/>). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 044 4002 0700
4. The Investors can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.cameoindia.com/iykot>
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/iykot>
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/iykot>
 - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders at <https://rights.cameoindia.com/iykot>

This Issue will remain open for a minimum 7 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will not be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs through the FDI Circular 2020 (defined below).

The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as at October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under the FEMA Rules will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that the Letter of Offer will be filed with the Stock Exchange and submitted to the SEBI for information and dissemination.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone: (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer and any other Issue Materials should not distribute or send the Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India except in accordance with applicable law.

The Letter of Offer is, and the other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

The Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“**Australian Corporations Act**”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission (“**ASIC**”) and no steps have been taken to lodge it as such with ASIC. It is not required to, and does not, contain all the information which would be required in a disclosure document.

Any offer in Australia of the Rights Entitlements and Equity Shares under the Letter of Offer may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Letter of Offer, and any offers made under the Letter of Offer, you represent to the Issuer that you will not

provide the Letter of Offer or communicate any offers made under the Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to the Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in the Letter of Offer, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. The Letter of Offer is only intended for Accredited Investors as defined by the CBB. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and the Letter of Offer will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved the Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares has been or will be made to the public in the British Virgin Islands.

China

No action has been taken by our Company which would permit an offering of Rights Entitlements or the Rights Equity Shares or the distribution of the Letter of Offer in the People's Republic of China (“**PRC**”). The Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of the Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the “**Prospectus Regulation**”):

- a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. The Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikakukikantoshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “Qualified Institutional Investor”), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to a small number of investors (shoninzumukekanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikakukikantoshikamukekanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign,

transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Kuwait

The Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

The Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than SGP\$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded

Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, the Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a “**Relevant Person**”). If you are not a Relevant Person, you should not take any action on the basis of the Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlement and the Rights Equity Shares offered in the Issue are not being offered to any persons in

the Dubai International Financial Centre except on that basis that an offer is: (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) (the “**Markets Rules**”) adopted by the Dubai Financial Services Authority (the “**DFSA**”); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved the Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this subsection have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Equity Shares offered in the Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Letter of Offer, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions, as defined in and in compliance with Regulation S. Neither the receipt of the Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholders who has received the Letter of Offer and its accompanying documents directly from our Company.

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser, by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted, acknowledged and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
2. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
4. The purchaser acquiring the Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference herein to ‘the purchaser’ to include such accounts.
5. The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities

or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020 dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

6. The purchaser is investing in the Rights Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, the purchaser is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, each as amended and/or substituted from time to time.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with the Stock Exchange and its submission with the SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements (except in India) or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.
9. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to us and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
11. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent financial results, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes the "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information, has been prepared solely by our Company.
13. The purchaser acknowledges that no written or oral information relating to the Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by our Company.
14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, undertakings and agreements and other information contained in the Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under applicable securities laws.
15. The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in accordance with Regulation S.
16. The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.
17. The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).
18. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If, in the future, the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares: (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
19. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for, and authorized to consummate the purchase of, the Rights Equity Shares in compliance with all applicable laws and regulations. If the purchaser is outside India:
 - a. the purchaser, and each account for which it is acting, satisfies: (i) all suitability standards for investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe, and is subscribing, for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence; and
 - b. the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
20. Except for the sale of Rights Equity Shares on the Stock Exchange, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
21. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect

to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.

22. Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties, acknowledgements and agreements set forth above and elsewhere in the Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to our Company, and are irrevocable.
24. The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Chennai, Tamil Nadu, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Letter of Offer and other Issue Materials.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available for inspection at the corporate office of the Company till the issue closing date on working days and working hours between 11:00 A.M. to 5:00 P.M. and also shall be available on the website of the Company at www.iykotc.com from the date of this Letter of Offer until the Issue Closing Date.

Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to info@iykot.com

1. Material Contracts for the Issue

- (i) Registrar Agreement dated March 25, 2023 entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated March 06, 2024 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

2. Material Documents

- (i) Certified true copies of the Certificate of Incorporation, the Memorandum of Association and the Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated February 10, 2023 in relation to the approval of this Issue.
- (iii) Resolution passed by our Board of Directors dated March 20, 2024 finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio
- (iv) Resolution of the Rights Issue Committee dated April 06, 2023 approving and adopting the Draft Letter of Offer.
- (v) Resolution of the Board of Directors dated March 20, 2024 approving and adopting the Letter of Offer.
- (vi) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Letter of Offer in their respective capacities.
- (vii) Copies of Annual Reports of our Company for Financial years 2022, 2021 and 2020.
- (viii) Unaudited Limited Reviewed Results for the nine month period ended December 31, 2023
- (ix) The examination reports dated July 01, 2023 of the Statutory Auditor, on our Company's Audited Financial Statements, included in this Letter of Offer.
- (x) Statement of Tax Benefits dated July 01, 2023 from the Statutory Auditor included in this Letter of Offer.
- (xi) Tripartite Agreement dated April 30, 2023 between our Company, NSDL and the Registrar to the Issue.
- (xii) Tripartite Agreement dated May 25, 2023 between our Company, CDSL and the Registrar to the Issue.
- (xiii) In principle listing approval dated June 19, 2023 issued by BSE Limited.

Any of the contracts or documents mentioned in this Letter of Offer 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 rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

LIKHITTA DUGAR
(Whole Time Director)

Sd/-

ANNJANA DUGAR
(Non-Executive Director)

Sd/-

VELLI PARAMASIVAM
(Independent Director)

Sd/-

SYED MUNNAWAR HUSSAIN
(Independent Director)

Sd/-

SURESH D R
(Independent Director)

Sd/-

G RAGHAVENDRAN
(Chief Financial Officer)

Place: Chennai

Date : March 20, 2024
