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## Draft Red Herring Prospectus

Dated September 24, 2025

Please read Sections 26, 28 and 32 of the Companies Act, 2013

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

100% Book Built Offer



### AVANA ELECTROSYSTEMS LIMITED

(Formerly known as Avana ElectroSystems Private Limited)

CIN: U31400KA2010PLC054508

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
No: 8, KAIDB, lot No. 35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadarahanahalli Village, Peenya Small Industries, Bengaluru – 560 058, Karnataka, India	N.A.	Amrutha Naveen, Company Secretary and Compliance Officer;	<b>Email:</b> <a href="mailto:cs@avanaelectrosystems.com">cs@avanaelectrosystems.com</a> <b>Tel:</b> +91 80 4123 3386	avanaelectrosystems.com

**OUR PROMOTERS: ANANTHARAMAIAH PANISH, GURURAJ DAMBAL, S VINOD KUMAR AND K N SREENATH,**

#### DETAILS OF THE FRESH ISSUE AND OFFER FOR SALE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATIONS
Fresh Issue and Offer for Sale	Up to 50,90,000 Equity Shares aggregating up to ₹ [●] lakhs	Up to 10,00,000 Equity Shares aggregating up to ₹ [●] lakhs	Up to 60,90,000 Equity Shares aggregating up to ₹ [●] lakhs	The Offer is being made pursuant to regulation 229(2) and 253(1) of Chapter IX of the SEBI ICDR Regulations. For further details, please see “Other Regulatory and Statutory Disclosure - Eligibility for the Offer” on page 276 For details in relation to reservation among QIBs, NIIs and IIs, please see “Offer Structure” on page 301 of this Draft Red Herring Prospectus.

#### DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION

Name of the Selling Shareholder	Category	Number of Shares Offered	Weighted Average Cost of Acquisition in ₹ per Equity Share
Anantharamaiah Panish	Promoter Selling Shareholder	2,50,000	1.10
Gururaj Dambal	Promoter Selling Shareholder	2,50,000	1.10
S Vinod Kumar	Promoter Selling Shareholder	2,50,000	0.40
K N Sreenath	Promoter Selling Shareholder	2,50,000	1.10

#### RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times of the face value of the Equity Shares. The Floor Price, Cap Price and Offer Price determined and justified by our Company and Promoter Selling Shareholders, in consultation with the Book Running Lead Manager in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process and as stated in “Basis for the Offer Price” on page 105 of this Draft Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 31 of this Draft Red Herring Prospectus.

#### ISSUER’S AND PROMOTER SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY


Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect, Selling shareholders, severally and not jointly, accept responsibility for and confirm only the statements expressly and specifically made by such Selling shareholders in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the offered Shares and assumes responsibility that such statements are true and correct

in all material respects and not misleading in any material respect. Selling shareholders assume no responsibility, as Selling Shareholders, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our company or our company's business or any other selling shareholders or any other person(s).


#### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received 'In-Principle' approval from NSE for the listing of the Equity Shares pursuant to letter dated [●]. For the purposes of the Offer, the Designated Stock Exchange shall be National Stock Exchange of India Limited ("NSE EMERGE"). A signed copy of the Red Herring Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) of the Companies Act.

#### BOOK RUNNING LEAD MANAGER (BRLM) TO THE OFFER

Logo & Name	Contact Person	Telephone and Email
 <b>Indcap Advisors Private Limited</b>	Shraddha Khanna	<b>Tel:</b> +91 33 4069 8001 <b>E-mail:</b> smeipo@indcap.in

#### REGISTRAR TO THE OFFER

Logo & Name	Contact Person	Telephone and Email
 <b>Integrated Registry Management Services Private Limited</b>	S Giridhar	<b>Tel:</b> +91 80 23460815/816/817/818 <b>Email id:</b> smeipo@integratedindia.in

#### OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●] <sup>(1)(2)</sup>	BID / OFFER OPENS ON	[●] <sup>(3)</sup>	OFFER CLOSES ON	[●] <sup>(2)(3)</sup>
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<sup>^</sup>Subject to finalization of Basis of Allotment

- (1) Our Company and Promoter Selling Shareholders, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
- (2) Our Company and Promoter Selling Shareholders, in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
- (3) UPI mandate end time and date shall be at 5:00 pm on the /Offer Closing Date



**AVANA ELECTRO SYSTEMS LIMITED**  
**CIN: U31400KA2010PLC054508**

Our Company was originally incorporated as a private limited company under Companies Act 1956, in the name and style of ‘Avana Electrosystems Private Limited’ under the Companies Act, 1956, pursuant to a Certificate of Incorporation dated July 16, 2010 issued by the Registrar of Companies, Bengaluru, Karnataka (RoC). Pursuant to a special resolution passed by our shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a public limited company and the name of our Company was changed to ‘Avana Electrosystems Limited’ and a fresh Certificate of Incorporation dated December 17, 2024 has been issued to our Company by the Central Processing Centre. For further details on the change in name and registered office of our Company, see “History and Certain Corporate Matters” on page 183 of this Draft Red Herring Prospectus.

**Registered Office:** No: 8, Plot No. 35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase, Peenya Industrial Area, Nelagadarahanahalli Village, Bengaluru – 560 058, Karnataka, India; **Contact Person:** Amrutha Naveen, Company Secretary and Compliance Officer; **E-mail:** [cs@avanaelectrosystems.com](mailto:cs@avanaelectrosystems.com); Tel: +91 80 4123 3386; **Website:** [www.avanaelectrosystems.com](http://www.avanaelectrosystems.com)

**OUR PROMOTERS: ANANTHARAMAIAH PANISH, GURURAJ DAMBAL S VINOD KUMAR AND K N SREENATH**

**DETAILS OF THE OFFER**

**INITIAL PUBLIC OFFER OF UPTO 60,90,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF AVANA ELECTROSYSTEMS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “OFFER PRICE”) AGGREGATING TO ₹ [●] LAKHS (THE “OFFER”) COMPRISING OF A FRESH ISSUE OF UPTO 50,90,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UPTO 10,00,000 EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDERS (“OFFER FOR SALE”) AGGREGATING TO ₹ [●] LAKHS OF WHICH UPTO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF UPTO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE “NET OFFER”). THE FRESH OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POSTOFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND ALL EDITION OF [●] REGIONAL NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE”).**

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein [●] (not more than 50 % of the Net Offer) shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, [●] (not less than 15% of the Net Offer) shall be available for allocation on a proportionate basis to Non-Institutional Bidders of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of shares in non-institutional investors’ category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount (“ASBA”)

process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see “Offer Procedure” on page 308 of this Draft Red Herring Prospectus.

## ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled “Offer Procedure” on page 308 of this Draft Red Herring Prospectus.

## RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the BRLM in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process and as stated in “Basis for the Offer Price” on page 105 of this Draft Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 31 of this Draft Red Herring Prospectus.

## ISSUER’S AND PROMOTER SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of the National Stock Exchange of India Limited (“NSE EMERGE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received ‘In-Principle’ approval from NSE for the listing of the Equity Shares pursuant to letter dated [●]. For the purposes of the Offer, the Designated Stock Exchange shall be National Stock Exchange of India Limited (“NSE”).

### BOOK RUNNING LEAD MANAGER TO THE OFFER



#### Indcap Advisors Private Limited

Suite 1201, 12<sup>th</sup> Floor, Aurora Waterfront, GN 34/1, Sector 5, Salt Lake City, Kolkata – 700091, West Bengal, India

Tel: +91 33 4069 8001

Email ID: smeipo@indcap.in

Website: <http://www.indcap.in/>

Investor Grievance E-mail: investors@indcap.in

Contact Person: Shraddha Khanna

SEBI Registration Number: INM000013031

### REGISTRAR TO THE OFFER



#### Integrated Registry Management Services Private Limited

No 30 Ramana Residency,  
4th Cross Sampige Road, Malleswaram,  
Bengaluru - 560 003  
Karnataka, India

Contact Person: S Giridhar

Email ID: smeipo@integratedindia.in

Tel No: +91 80 23460815/816/817/818

SEBI Registration: INR000000054

## OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●] <sup>(1)(2)</sup>	BID / OFFER OPENS ON	[●] <sup>(3)</sup>	BID / OFFER CLOSES ON	[●] <sup>(2)(3)</sup>
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<sup>^</sup>Subject to finalization of Basis of Allotment

- (1) Our Company and the Promoter Selling Shareholders, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
- (2) Our Company and the Promoter Selling Shareholders, in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
- (3) UPI mandate end time and date shall be at 5:00 pm on the Offer Closing Date.



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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines, circulars, notifications, clarifications, directions or policies shall be to such legislation, act, regulation, rule, guidelines, circulars, notifications, clarifications, directions or policies as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

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

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “History and Certain Corporate Matters”, “Key Industry Regulations and Policies”, “Restated Financial Statements”, “Basis for Offer Price”, “Outstanding Litigations and Other Material Developments”, “Restriction on Foreign Ownership of Indian Securities” and “Offer Procedure” on pages 341, 113, 117, 183, 167, 209, 105, 267, 339 and 308 respectively of this Draft Red Herring Prospectus will have the meaning ascribed to such terms in those respective sections.*

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“AEL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Unless the context otherwise indicates or implies, refers to Avana Electrosystems Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at No 8, Plot No: 35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadrana Halli I Village, Bengaluru – 560058, Karnataka, India.
Our Promoters	The Promoters of our Company being Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath. For further details, please refer to chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page 201 of this Draft Red Herring Prospectus.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page 201 of this Draft Red Herring Prospectus.

### COMPANY RELATED TERMS

Term	Description
AoA / Articles of Association / Articles	The Articles of Association of Avana Electrosystems Limited, as amended from time to time
Audit Committee	Audit committee of our Board constituted on August 29, 2025 in accordance with Section 177 of the Companies Act 2013 For details refer to the section titled “ <i>Our Management</i> ” on page no. 188 of this Draft Red Herring Prospectus.
Auditors / Peer Reviewed Auditor/ Statutory Auditors	The Statutory Auditors & Peer Review Auditor of our Company, being M/s. Vasanth & Co., Chartered Accountants, as mentioned in the section titled “ <i>General Information</i> ” on page no 64 of this Draft Red Herring Prospectus.
Bankers to our Company	Banker to the Company being HDFC Bank Limited, as mentioned in the section titled “ <i>General Information</i> ” on page no 64 of this Draft Red Herring Prospectus.
Board / Board of Directors	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our directors, please refer to chapter titled “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.
CIN	Corporate Identification Number of our Company being U31400KA2010PLCL054508.
Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013 as amended from time to time.
Chief Financial Officer	Ravi Kumar S, the Chief Financial Officer of our Company. For details with respect to his profile, see “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page no 198.
Company Secretary and Compliance Officer	Amrutha Naveen, the Company Secretary and Compliance Officer of our Company. For details with respect to her profile, see “ <i>Our Management – Key Managerial</i> ” on page no 198.

Term	Description
	<i>Personnel and Senior Management</i> ” on page 198.
Committee(s)	Duly constituted committee(s) of our Board of Directors.
CSR	Corporate Social Responsibility.
Director(s)	The Director(s) on our Board as appointed from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Director	Executive Director of our Company as on the date of this Draft Red Herring Prospectus. For details of the Executive Director, see “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.
Group Companies / Group Entities	Companies with which there were Related Party Transactions as disclosed in the RFS as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies / entities, please refer “ <i>Our Group Companies</i> ” on page 207 of this Draft Red Herring Prospectus.
Indian AS	Indian Accounting Standard
ISIN	International Securities Identification Number, being INE1KU201016
Independent Directors	A Non-Executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 An independent director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.
KMP / Key Managerial Personnel	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in “ <i>Our Management</i> ” on page 188 of this Draft Red Herring Prospectus.
Key Performance Indicators / KPIs	Key Performance Indicators that are numerical measures of the issuer company’s historical financial or operational performance and financial or operational positions. Key factors that determine the performance of our Company.
Managing Director	Anantharamaiah Panish is the Managing Director of our Company. For details with respect to his profile, see “ <i>Our Management – Brief Profile of our Directors</i> ” on page 189.
Materiality Policy	The policy adopted by our Board for identification of (a) material outstanding litigation proceedings of our Company, our promoter and directors; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI (ICDR) Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus and the Prospectus.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA, 1999.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board constituted in accordance with Section 178 of the Companies Act and described in “ <i>Our Management</i> ” on page no 188 of this Draft Red Herring Prospectus.
Non-Executive Director	The non-executive director(s) of our Company, including our Independent Directors. For details of our Non-Executive Directors, see “ <i>Our Management</i> ” on page no 188.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Registered Office	The Registered Office of our Company, situated at Plot No. 35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadrana Halli I Village, Bengaluru – 560058, Karnataka, India.
Registrar of Companies	Unless otherwise specified refers to the Registrar of Companies, Bengaluru situated at E Wing, 2 <sup>nd</sup> Floor, Kendriya Sadana, Koramangala, Bengaluru – 560 034, Karnataka, India.
Restated Financial Information/ Restated Financial Statements	The restated financial statements of our Company comprising the restated statement of assets and liabilities for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023, the restated statement of profits and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the Financial Years ended March 31, 2025, March 31, 2024

Term	Description
	and March 31, 2023 together with the summary statement of significant accounting policies, and other explanatory information thereon, prepared in accordance with Ind AS, and restated in accordance with the requirements of the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI.
Senior Management	The Senior Management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and described in “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 198.
Shareholder(s)	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013, described in “ <i>Our Management – Corporate Governance</i> ” on page 194 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to the EMERGE Platform of the National Stock Exchange of India Limited (NSE EMERGE)
Subsidiary/Subsidiaries	The Subsidiary/Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable accounting standards. We currently do not have any subsidiary.
Whole Time Director	Gururaj Dambal and S Vinod Kumar are the Whole Time Directors of our Company. For details with respect to his profile, see “ <i>Our Management – Brief Profile of our Directors</i> ” on page 189 of this Draft Red Herring Prospectus.

## OFFER RELATED TERMS

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a Prospectus may be specified by SEBI in this behalf. Abridged prospectus issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to an Applicant proof of registration of the Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Offer to the successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	Date on which allotment is made.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus. All the applicants should make application through ASBA only.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Draft Red Herring Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Bidders Bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 200.00 lacs
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and in consultation with the BRLM on the Anchor Investor Bidding Date.



Term	Description
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	One (1) Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bankers to the Offer and Refund Banker Agreement	Agreement dated [●] entered into amongst the Company, the Promoter Selling Shareholders, Book Running Lead Manager, the Registrar to the Offer, Bankers to the Offer.
Banker to the Offer and Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Banker to the Offer at which the Refund Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 308 of this Draft Red Herring Prospectus.
Bid	An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Draft Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of Individual Investors Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable.
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment of Equity Shares pursuant to the terms of the Prospectus.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation. In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.

Term	Description
Bid / Offer Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper) Kannada being the regional language of Karnataka, where our Registered Office is located, each with wide circulation.
Bid / Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI (ICDR) Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders. The Bid/Offer Period will comprise of Working Days only.
Bidder / Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes the ASBA Bidders and Anchor Investors.
Bidding Centres	The Centres at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI (ICDR) Regulations, in terms of which the Offer is being made.
Book Running Lead Manager / BRLM	Book Running Lead Manager to the Offer, in this case being Indcap Advisors Private Limited being SEBI Registered Category I Merchant Bankers.
Broker Centres	Broker Centres notified by the Stock Exchanges where Bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the website of the National Stock Exchange of India Limited ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allocation Note	Confirmation of Allocation Note / the note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to being a minimum of 105% of the Floor Price.
Circulars of Streamlining of Public Issues/UPI Circulars	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent applicable) NSE's circular bearing reference number 25/ 2022 dated August 3, 2022 and BSE's circular bearing reference number 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applicants at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Offer and Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Offer Price, finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father / husband, investor status, occupation and bank account details and UPI ID, where applicable
Depository Participant / DP	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time.
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of this Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Offer.
Designated Market Maker / Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTA where Applicants can submit the ASBA Forms to RTA.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE)
DP ID	Depository Participant's Identity Number.
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated September 24, 2025 issued in accordance with the SEBI ICDR Regulations.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI(s)	A non-resident Indian, resident in jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and this Draft Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Escrow Account	Account(s) opened with the Banker to the Offer.
Escrow Collection Bank	The Bank which is a clearing member and registered with SEBI as bankers to an Offer and with whom the Escrow Account will be opened, in this case being [●].
Equity Listing Agreement	The Listing Agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.

Term	Description
Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered into by our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLM, the Syndicate Members and the Banker(s) to the Offer for, among other things, the appointment of the Sponsor Bank, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price will be finalised and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
Fraudulent Borrower	Fraudulent borrower declared by any lending banks, financial institution or consortium, in accordance with the terms of the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.
Fresh Offer	The Fresh Offer up to 50,90,000 Equity Shares by our Company aggregating up to ₹ [●] Lakhs to be issued by our Company as part of the Offer, in terms of the Draft Red Herring Prospectus.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
FPI	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
Gross Proceeds	The gross proceeds of the Fresh Offer which will be available to our Company
IPO	Initial Public Offering
Individual Investor's Portion	The portion of the Net Offer being not less than 35% of the Net Equity Shares which shall be available for allocation to Individual Investors in accordance with the SEBI ICDR Regulations.
Individual Bidder(s) or Individual Investor(s) or II(s) or IB(s)	Minimum application size shall be two lots per application, such that the minimum application size shall be above ₹ 2 lakhs. (including HUFs applying through their Karta) and Eligible NRIs
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our Company and the Designated Stock Exchange.
Market Maker	The Market Maker to the Offer, in this case being [●].
Market Making Agreement	The agreement dated [●] entered amongst our Company, the Promoter Selling Shareholders, Designated Market Maker and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain market making arrangements are agreed to in relation to the Offer.
Market Maker Reservation Portion	Upto [●] Equity Shares of ₹10.00 each at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs reserved for subscription by the Market Maker.



Term	Description
Materiality Policy	The policy adopted by our Board on September 05, 2025 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Minimum Promoter's Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company that is eligible to form part of the minimum promoter's contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment.
Mobile Applications	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by IIs to submit Bids using the UPI Mechanism.
Mutual Fund	Mutual Funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Offer	The Offer excluding the Market Maker Reservation Portion of up to [●] Equity Shares of face value of ₹ 10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●] lakhs by our Company.
Net Proceeds	The Gross Proceeds from the Offer less the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer related expenses, see “ <i>Objects of the Offer</i> ” on page 90.
Non-Institutional Investors/ Non-Institutional Bidders/ NIIs/ NIBs	All Bidders that are not QIBs or IBs and who have Bid for Equity Shares, for more than two lots (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	Which shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub category of Non-Institutional Portion.
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs registered with SEBI.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
OCB / Overseas Corporate Body	Overseas corporate body, a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
Offer Agreement	The agreement dated September 19, 2025 entered amongst our Company, the Promoter Selling Shareholders and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
Offer Document	Offer Document includes Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.
Offer Period	The periods between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Offer Price	<p>The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.</p>

<b>Term</b>	<b>Description</b>
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLM, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, inter alia, the Offer opening and closing dates and other information.
Public Announcement	The Draft Red Herring Prospectus filed with NSE will be made public for comments, if any, for a period of at least twenty-one days from the date of filing the Draft Red Herring Prospectus, by hosting it on our Company's website, NSE EMERGE website and website of the Book Running Lead Manager. Our Company will, within two working days of filing the Draft Red Herring Prospectus with NSE, make a public announcement in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of the [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), disclosing the fact of filing of the Draft Red Herring Prospectus with NSE EMERGE and inviting the public to provide their comments to the NSE EMERGE, our Company or the Book Running Lead Manager in respect of the disclosures made in this Draft Red Herring Prospectus.
Public Offer Account	Bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
Public Offer Account Bank	The bank with which the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Accounts on the Designated Date, in this case being [●].
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Category / QIB Portion	The portion of the Net Offer being not more than 50% of the Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM, subject to valid Bids being received at or above the Offer Price.
QIB Bidders	QIBs who Bid in the Offer.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which does not have complete particulars of the Offer Price and the size of the Offer including any addenda or corrigenda thereto.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Anchor Investors shall be made.
Refund Bank	Bank which is / are clearing member and registered with the SEBI as Banker to the Offer at which the Refund Account will be opened in case listing of the Equity Shares does not occur, in this case being [●] Bank. The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.

Term	Description
Registrar Agreement	The agreement September 11, 2025 among our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations as per the lists available on the websites of NSE.
Registrar to the Offer / Registrar	Registrar to the Offer, being Integrated Registry Management Services Private Limited.
Reserved Category/ Categories	Categories of persons eligible for making bids under the reservation portion.
Resident Indian	A person resident in India, as defined under FEMA.
Reservation Portion	Categories of persons eligible for making bids under the reservation portion.
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Application Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Investors are not allowed to withdraw or lower their application (in terms of quantity of Equity Shares or the Application Amount) at any stage. Individual Investors (subject to the minimum application size above ₹ 2.00 Lakhs) can revise their Applications during the Offer Period and withdraw their Applications until Offer Closing Date.
Securities Laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Self-Certified Syndicate Bank(s) / SCSB(s)	<p>The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>, or such other website as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> as updated from time to time.</p> <p>In accordance with SEBI RTA Master Circular, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> respectively, as updated from time to time The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>, or such other website as may be prescribed by SEBI from time to time.</p>

Term	Description
	In accordance with the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, UPI Bidders using UPI Mechanism may apply through the SCSBs and mobile applications (apps) whose name appears on the SEBI website. . The said list is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> , as updated from time to time.
Selling Shareholders / Promoter Selling Shareholders	The Promoter Selling Shareholders being, Panish Anantharamaiah, Gururaj Dambal, S Vinod Kumar and K N Sreenath.
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Specified Securities	The Equity Shares being issued through this Draft Red Herring Prospectus
Sponsor Bank	The Bankers to the Offer registered with SEBI which are appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	Agreement to be entered among our Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Offer and carry out activities as an underwriter.
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriter(s)	[●]
Underwriting Agreement	The agreement dated [●] entered among the Underwriter(s) and our Company
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
UPI Bidder(s)	<p>Collectively, individual investors applying as (i) RIBs in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, in each case Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and RTA</p> <p>Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p>



Term	Description
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by NSE having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Individual Bidder to such Mobile App) to the Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment. Mandate request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
UPI Mechanism	The bidding mechanism that may be used by an Individual Investor to make a Bid in the Offer in accordance with the UPI Circulars. Process for applications by UPI Applicants submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
WACA	Weighted Average Cost of Acquisition
Willful Defaulter or a Fraudulent Borrower	A company or person, as the case may be, categorized as a willful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by the RBI. A Person who been declared a “Willful Defaulter” by lending banks or financial institutions or consortium thereof, as per the terms of RBI master circular dated July 1, 2015.
Working Days	In accordance with Regulation 2(1)(mmm) of the ICDR Regulations, the days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Offer Period, “Working Days” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

## CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
₹ or ₹ or Rupees or INR	Indian Rupees, the official currency of the Republic of India.
A/c	Account
Act / Companies Act	Companies Act, 1956 and/or Companies Act, 2013
AIF(s)	Alternative Investment Funds (SEBI)
AGM	Annual General Meeting
AI	Anchor Investor
AO	Assessing Officer
AS	Accounting Standards
ASBA	Application Supported by Blocked Amount
AY	Assessment Year

BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
Calendar Year / year	12 months ending December 31
CAN	Confirmation Allocation Note
Category I AIF	Alternative Investment Fund – Category I (SEBI AIF Regulations)
Category II AIF	Alternative Investment Fund – Category II (SEBI AIF Regulations)
Category III AIF	Alternative Investment Fund – Category III (SEBI AIF Regulations)
Category I FPIs	Foreign Portfolio Investors – Category I (SEBI FPI Regulations)
Category II FPIs	Foreign Portfolio Investors – Category II (SEBI FPI Regulations)
CBEC	Central Board of Excise & Customs
CCEA	Cabinet Committee on Economic Affairs
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Competition Act	Competition Act, 2002
Consolidated FDI Policy	DPIIT policy on Foreign Direct Investment
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act, 1996	Governs depositories in India
Depository Participant (DP)	Intermediary between investor & depository
DP ID	Depository Participant's Identification
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
DIN	Director Identification Number
EBITDA	Earnings Before Interest, Depreciation, Tax and Amortization
EBITDA Margin	EBITDA ÷ Total Income (%)
ECLGS	Emergency Credit Line Guarantee Scheme
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EOGM	Extra-ordinary General Meeting
EPA	Environment Protection Act, 1986
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
EU	European Union
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, 1999
FEMA NDI Rules	FEMA (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII	Foreign Institutional Investor
FII Regulations	SEBI (Foreign Institutional Investors) Regulations, 1995
FIR	First Information Report
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
Financial Year / Fiscal / FY	April 1 – March 31
FPIs	Foreign Portfolio Investors
FVCI	Foreign Venture Capital Investor
GAAR	General Anti-Avoidance Rules
GAV	Gross Value Added
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government / Central Government	Government of India
Gov/ Government/GoI	Government of India

GST	Goods & Services Tax
HUF	Hindu Undivided Family
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
ICDS	Income Computation and Disclosure Standards
IFSC	Indian Financial System Code
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
ISIN	International Securities Identification Number
IST	Indian Standard Time
KYC	Know Your Customer
Ltd.	Limited
MCA	Ministry of Corporate Affairs
MAT	Minimum Alternate Tax
Merchant Banker	SEBI-registered intermediary
Mn/mn	Million
MOF	Ministry of Finance
MOU	Memorandum of Understanding
Mutual Funds	Pooled investment funds registered with SEBI
NA	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NCLAT	National Company Law Appellate Tribunal
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
Net Asset Value per Equity Share	Restated net worth ÷ Equity shares
Net Worth	Capital + Reserves – Losses
NOC	No Objection Certificate
NR	Non-Residents
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NPCI	National Payments Corporation of India
NTA	Net Tangible Assets
OCB	Overseas Corporate Body
P.A	Per Annum
P/E Ratio	Price ÷ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PAT Margin	PAT ÷ Total Income (%)
PBT	Profit Before Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PIO	Person of Indian Origin
PLR	Prime Lending Rate
Pvt. Ltd.	Private Limited
R&D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	U.S. Securities Act regulation
Revenue from Operations	Core operating income

RoA	Return on Assets
RoC	Registrar of Companies
RoCE	Return on Capital Employed
RoE	Return on Equity
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	U.S. Securities Act provision
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSBs	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	SEBI (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	SEBI (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	SEBI (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Listing Regulations / LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	SEBI (Merchant Bankers) Regulations, 1992
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
SEBI Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI Underwriters Regulations	SEBI (Underwriters) Regulations, 1993
SEBI VCF Regulations	SEBI (Venture Capital Funds) Regulations, 1996
Sec.	Section
Securities Act	U.S. Securities Act of 1933
SME	Small and Medium Enterprises
Stamp Act	Indian Stamp Act, 1899
State Government	Any State Government of India
Stock Exchange	Market for securities
STT	Securities Transaction Tax
Takeover Regulations	SEBI takeover regulations
TDS	Tax Deducted at Source
TIN	Taxpayer Identification Number
TRS	Transaction Registration Slip
Trademarks Act	Trademarks Act, 1999
UIN	Unique Identification Number
US\$ / USD	U.S. Dollar
USA / U.S. / US	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the USA
U.S. Securities Act	U.S. Securities Act, 1933
VAT	Value Added Tax
VCFs	Venture Capital Funds under SEBI VCF Regulations

## KEY PERFORMANCE INDICATORS

S. No.	KPIs	Definition / Explanation
1	Revenue from operations	Revenue from operations represents revenue from sale of products and other operating revenue. It represents the scale of the business as well as provides information regarding the overall financial performance.
2	Year-on-year (“YoY”) Revenue Growth	Represents growth in sales on Year-on-year basis.



S. No.	KPIs	Definition / Explanation
3	Gross Profit	Indicates Company's profitability from core operations before considering overheads and indirect expenses.
4	Gross Profit Margin	Gross Profit Margin represents the percentage of revenue remaining after accounting for the direct costs of producing goods or services
5	EBITDA (₹ in Lakh)	Indicates operating performance and cash generating ability before accounting for non-operational expenses and non-cash items.
6	EBITDA Margin (%)	Reflects operating profitability as a percentage of revenue from operations.
7	Profit After Tax	Profit after tax reflects the company's true earnings and financial health. It shows how much profit is available for reinvestment in the business or distribution to shareholders as dividends.
8	PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of the business and provides the financial benchmarking against peers as well as to compare against the historical performance of the business.
9	RoE (%)	Represents how efficiently a business generates profit from its shareholders' equity.
10	RoCE (%)	Measure how effectively capital is deployed to generate operating profits.
11	Return on Assets	ROA measures how a company is more efficient at using its assets to generate profit.
12	Operating Cash Flows	It represents cash generated by the Company from its core business operations excluding any financing or investing activity
13	Fixed Asset Turnover	Measure how effectively the Company generates revenue from its fixed Assets.
14	Output per day per unit – Relay and Panels	This KPI helps in tracking the output generated per day for our units. It is an indicator of Company's employee efficiency and profitability measure.
15	Calculation of Sales from various sales channels	This KPI helps us in tracking the sales registered through various channels like Government Orders / Orders received through the tender process, direct sales to private parties and sales through our distributors and dealers. This helps in understanding under which channel the Company's sales are growing.

#### TECHNICAL/ INDUSTRY RELATED TERMS

Term	Definition
AC	Alternating Current
AI	Artificial Intelligence
APFC	Automatic Power Factor Correction
B2B	Business to Business
BCU	Bay Control Units
BE	Budget Estimates
BEE	Bureau of Energy Efficiency
BEEP	Building Energy Efficiency Program
BIS	Bureau of Indian Standards
BU	Billion Units
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CNC	Computer Numerical Control
CRGO	Cold Rolled Grain Oriented
CRP	Control & Relay Panel
DC	Direct Current
DDUGJY	Deen Dayal Upadhyay Gram Jyoti Yojana
ECLGS	Emergency Credit Linked Guarantee Scheme
EESL	Energy Efficiency Services Limited
EHV	Extra High Voltage
EMDE	Emerging Market and Developing Economies
EU	European Union
EXIM BANK	Export-Import Bank Of India
FDI	Foreign Direct Investment
FQC	Final Quality Control

GDP	Gross Domestic Product
GW	Gigawatt
HMI	Human Machine Interface
HV	High Voltage
IBEF	India Brand Equity Foundation
IIP	Index Of Industrial Production
IPDS	Integrated Power Development Scheme
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronic Engineers
IQC	Incoming Quality Control
IS	Indian Standards
ISI	Indian Standard Institute
ISO	International Organization for Standardization
IEEMA	Indian Electricals & Electronics Manufacturers Association
KIADB	Karnataka Industria Areas Development Board
KV	Kilovolt
KVA	Kilovolt-Amperes
KWH	Kilowatt-Hours
LAC	Latin America and the Caribbean
LCD	Liquid Crystal Display
LED	Light Emitting Diode
LIC	Low-Income Countries
LOC / LC	Line Of Credit
LT	Low Tension
LV	Low Voltage
MHI	Ministry of Heavy Industries
MNA	Middle East And North Africa
MOU	Memorandum of Understanding
MSME	Micro, Small, And Medium Enterprises
MT	Machine Translation
MTBF	Mean Time Between Failures
MV	Medium Voltage
MVA	Mega Volt Ampere
NABL	National Accreditation Board for Testing and Calibration Laboratories
NPR	Numerical Protection Relay
PCB	Printed Circuit Board
PCSS	Packaged Compact Substation
PMI	Purchasing Managers' Index
PO	Purchase Order
R&D	Research and Development
RBI	Reserve Bank of India
RES	Renewable Energy Sources
SCADA	Supervisory Control and Data Acquisition
SMT	Surface Mount Technology
SEZ	Special Economic Zone
SSA	Sub-Saharan Africa
T&D	Transmission & Distribution
TWH	Terawatt Hour
U.S.	United States Of America
UAE	United Arab Emirates
USD	United States Dollar
WTG	Wind Turbine Generator
WTO	World Trade Organization
YOY / Y-O-Y	Year-Over-Year

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of Articles of Association*”, “*Statement of Possible Special Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Restated Financial Information*”, “*Outstanding Litigations and Other Material Developments*” and “*Offer Procedure*” on pages 377, 113, 117, 167, 209, 267, and 308, respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### CERTAIN CONVENTIONS

All references in this Draft Red Herring Prospectus to “India” 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.

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

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Our Company”, “the Company”, “Avana Electrosystems Limited”, “Avana” and “AEL” and, unless the context otherwise indicates or implies, refers to Avana Electrosystems Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crores”.

Unless indicated otherwise, all references to page numbers of this Draft Red Herring Prospectus.

### FINANCIAL DATA

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements of our Company comprising the Restated Statement of assets and liabilities prepared as at March 31, 2025, March 31, 2024 and March 31, 2023 the restated statement of profits and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, together with the summary statement of significant accounting policies, and other explanatory information thereon, each derived from the audited financial statements of our Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 each prepared in accordance with Ind AS, and restated in accordance with the requirements of the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year or FY are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, U.S. GAAP and International Financial Reporting Standards (IFRS). Our Company does not provide reconciliation of its financial information to IFRS or United States of America (U.S. GAAP). The degree to which the Ind AS financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP, the Companies Act and SEBI ICDR Regulations. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving difference between IND AS, U.S. GAAP and IFRS see “*Risk Factor No: 56. – Significant differences exist between Ind AS and other accounting principles, such as IFRS and US GAAP, which may be material to investors’ assessments of our financial condition, result of operations and cash flows*” on page 51 of this Draft Red Herring Prospectus. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. Further, any figures sourced from third – party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 31, 140 and 250 respectively of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts based on or derived from our Restated Financial Statements information prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Restated Financial Statements*” beginning on page 209 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page no. 01 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”,

on page no. 341 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals and all percentage figures, unless otherwise specified, have been rounded off to the second decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus on account of rounding off adjustments.

## NON-GAAP FINANCIAL MEASURES

Certain non-GAAP measures like EBITDA, EBITDA margin as a percentage of total revenue, net worth, return on net worth, net asset value per Equity Share (“Non-GAAP Measures”) presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable Accounting Standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance.

## CURRENCY AND UNITS OF PRESENTATION

All references to:

- ‘Rupees’ ‘INR’ or ‘₹’ or ‘Rs.’ are to Indian Rupees, the official currency of the Republic of India.
- ‘U.S.\$’, ‘U.S. Dollar’, ‘USD’ or ‘U.S. Dollars’ are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs. One lakh means “One Hundred Thousand”, the word “Million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crores”. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

## EXCHANGE RATES

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

The exchange rates of USD, Euro, British Pound into Indian Rupees for the periods indicated are provided below:

(in ₹)

Currency	As at		
	March 28, 2025*	March 28, 2024*	March 31, 2023
1 USD	85.58	83.37	82.22
1 EUR	92.32	90.22	89.61
1 GBP	110.74	105.29	101.87

\* Exchange rates not available on March 29, March 30 and March 31 due to holidays.

Source: RBI / Financial Benchmark India Private Limited ([www.fbil.org.in](http://www.fbil.org.in))

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry and market data and forecast used throughout the Draft Red Herring Prospectus was obtained from internal Company reports, data, websites, industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Offer Price*” on page 105 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. 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. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

The extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends upon 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 market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in chapter titled “*Risk Factors*” from page no. 31 of this Draft Red Herring Prospectus.

## **TIME**

Unless otherwise specified any references to time in this Draft Red Herring Prospectus are to Indian Standard Time (“IST”).

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “seek to”, “will achieve”, “will continue”, “will likely”, “will pursue” 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. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, current plans, estimates and expectations, which in turn are based on currently available information.

Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate. Actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India 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 domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The facility on which we intend to set up our new unit and for which the IPO proceeds is proposed to be used is subject to certain conditions and in case we fail to meet these stipulated conditions, we may lose the right to utilise the land and this could have an adverse negative impact on our business and financial condition.
- We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future Orders and recalls.
- Demand for our Relays and our Control and Relay Panels business is dependent on growth in the power generation, transmission and distribution industry & infrastructure, that may contribute to fluctuations in our results of operations and financial condition.
- We depend on the State-Owned Power Distribution Companies, EPC service providers and public utilities for selling of our products which may affect our revenue from operation and profits.
- Our Company has not yet awarded the civil work contract for the proposed new manufacturing facility and any delay in awarding the civil work contract may result in time and cost overruns, and may affect our profitability.
- Product designing is very important part for our equipment for which we rely on our team. Any loss or error by these employees may have an adverse effect on our equipment and operations.
- Our ability to retain and hire key employees or maintain good relations with our workforce;
- Changes in laws and regulations that apply to the industry in which we operate;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability;
- Our ability to expand our geographical area of operation
- Competition from new and other existing companies which may adversely affect our operations and revenues;
- General economic, political and other risks that are out of our control;
- Inability to obtain registrations and licences in a timely manner or at all;
- Company’s ability to successfully implement its growth strategy and expansion plans;
- Changes in focus or change in Government Policies towards Power & Transformer Industry;
- Any change in government policies resulting in increase in taxes payable by us;
- Our failure to keep pace with rapid changes in technology;
- Our ability to grow our business;
- Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;



- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Occurrence of Environmental Problems & Uninsured Losses;
- Any adverse legal proceedings initiated against our company or its promoters, directors and KMP's;
- Concentration of ownership among our Promoters; and
- The performance of the financial markets in India and globally.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 31, 140 and 250, respectively of this Draft Red Herring Prospectus.

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 reflects current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward- looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters or the Promoter Selling Shareholders, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II

### SUMMARY OF OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*”, “*Capital Structure*”, “*The Offer*”, “*Restated Financial Statements*”, “*Objects of the Offer*” “*Our Promoters and Promoter Group*”, “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*”, “*Outstanding Litigations and Other Material Developments*” and “*Offer Procedure*” on pages 31, 117, 140, 75, 58, 209, 90, 201, 250, 267 and 308 respectively.

### SUMMARY OF PRIMARY BUSINESS OF THE COMPANY

Our Company was incorporated as a private limited company under the name and style of ‘Avana Electrosystems Private Limited’ under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 16, 2010 issued by the Deputy Registrar of Companies, Karnataka (RoC). Pursuant to a special resolution passed by our Shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a public limited company and the name of our Company was changed to ‘Avana Electrosystems Limited’ and a fresh certificate of incorporation dated December 17, 2024 has been issued to our Company by the Central Processing Centre. The Corporate Identification Number of our Company is: U31400KA2010PLC054508.

Our Company is promoted by Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath, each of whom has an experience of over two decades.

Broadly, we are engaged in the manufacturing of:

- a. Control and Relay Panels, and
- b. Relays

We are a manufacturer of customised Control and Relay Panels ranging from 11kv to 220kv for Power System Monitoring, Control and Protection Applications Transmission Lines, Power Transformers, Bus Bar, Capacitor Bank, etc, for both indoor and outdoor usage, MV and LV Panels, Protection Relays and Substation Automation Systems. These panels are used across various sectors and industries to facilitate the transmission and distribution of electrical power such as in solar power plants, wind power farms, other power generation plants, power transmission stations, electricity board sub-stations, power utilities companies etc.

We also manufacture relays, which is a device used in electrical systems to detect faults and protect equipment by analysing electrical parameters and executing protective actions.

For details of our products and business model, please refer to the chapter “*Our Business*” on page 140 of this Draft Red Herring Prospectus.

### SUMMARY OF INDUSTRY

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. The fundamental principle of India’s power industry has been to provide universal access to affordable power in a sustainable way. The Ministry of Power has made significant efforts over the past few years to turn the country from one with a power shortage to one with a surplus by establishing a single national grid, fortifying the distribution network, and achieving universal household electrification. India’s power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, agricultural, and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India was ranked fourth in wind power capacity and solar power capacity and fourth in renewable power installed capacity, as of 2021. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement. India's energy demand is expected to grow in the range of 6-6.5% over the next five years.

For further details kindly refer to chapter titled “*Industry Overview*” beginning on page 117 of this Draft Red Herring Prospectus.

## NAME OF THE PROMOTERS

The Promoters of our Company are Anantharamaiah Panish, Gururaj Dambal and S Vinod Kumar and K N Sreenath. For detailed information on our Promoters and Promoter's Group, please refer to the chapter titled "*Our Promoters and Promoter Group*" beginning from page no. 201 of this Draft Red Herring Prospectus.

## SIZE OF THE OFFER

The Offer is being made through the Book Building Process. The Offer is of up to 60,90,000 Equity Shares of face value of ₹10 for cash at a price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) ("Offer Price") aggregating up to Rs. [●] lakhs (the Offer), comprising the Fresh offer of up to 50,90,000 Equity Shares of face value of Rs. 10 each aggregating up to Rs. [●] Lakhs by our Company and the Offer for Sale of up to 10,00,000 Equity Shares of face value of Rs. 10 each aggregating up to Rs. [●] Lakhs by Promoter Selling Shareholders Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath of which up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per equity share including a Share Premium of [●] per Equity Share aggregating to ₹ [●] will be reserved for subscription by Market Maker to the Offer (the "Market Maker Reservation Portion"). The Offer less the Market Maker Reservation Portion i.e. Net Offer of [●] Equity Shares of face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating to ₹ [●] is hereinafter referred to as the "Net Offer". The Offer and the net Offer will constitute [●] % and [●] %, respectively of the post Offer paid up equity share capital of our company. For further details, please refer to chapter titled "*Terms of the Offer*" beginning on page no. 291 of this Draft Red Herring Prospectus.

The Minimum Bid lot will be two lots and the Price Band will be decided by our Company in consultation with the Book Running Lead Manager and will be advertised in all editions of [●] (a widely circulated English National Daily Newspaper), all editions of [●] (a widely circulated Hindi National Daily Newspaper) and all editions of [●] (a widely circulated Kannada newspaper, Kannada being regional language of Bengaluru, Karnataka, where our Registered Office is located) each with wide circulation, at least two working days prior to the Bid/Issue opening date and shall be made available to the EMERGE Platform of the NSE limited ("NSE EMERGE") for the purposes of uploading on its website in accordance with the SEBI ICDR regulations. For further details, kindly refer to chapter titled "*Terms of the Offer*" beginning on page no. 291 of this Draft Red Herring Prospectus.

For further details, kindly refer to chapters titled "*The Offer*" and "*Terms of the Offer*" beginning on page no. 58 and 291 of this Draft Red Herring Prospectus.

## DETAILS OF PROMOTER SELLING SHAREHOLDERS

The Selling Shareholders have given their consent to participate in the Offer for Sale in the following manner:

Name of Selling Shareholder	Type	Date of Consent Letter	Equity Shares of face value of ₹ 10 each held as on the date of the DRHP	Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale
Anantharamaiah Panish	Promoter Selling Shareholder	September 15, 2025	44,41,580	Up to 2,50,000 shares aggregating up to ₹ [●] lakhs
Gururaj Dambal	Promoter Selling Shareholder	September 15, 2025	44,41,580	Up to 2,50,000 shares aggregating up to ₹ [●] lakhs
S Vinod Kumar	Promoter Selling Shareholder	September 15, 2025	41,44,580	Up to 2,50,000 shares aggregating up to ₹ [●] lakhs
K N Sreenath	Promoter Selling Shareholder	September 15, 2025	44,41,580	Up to 2,50,000 shares aggregating up to ₹ [●] lakhs

## OBJECTS OF THE OFFER

The details of the proceeds of the Offer are summarized below:

Particulars	Amount (Rs. In Lakhs)
Proceeds from Fresh Issue	[●]*
Less: Issue related expenses in relation to the Fresh Issue <sup>(1)</sup>	[●]

<b>Net Issue Proceeds</b>	[●]*
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\* Subject to finalisation of Basis of Allotment.

(1) The Offer related expenses shall be determined at the time of filing the Prospectus with RoC.

#### Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

(₹ in lakhs)

Sr. No	Particulars	Estimated Amount#	% of Net Proceeds
1.	Capital expenditure towards civil construction, internal electric work and internal plumbing to set up an integrated manufacturing unit	Up to 1,155.38	[●]
2.	To meet Working Capital requirements of the Company	Up to 840.00	[●]
3.	General Corporate Purposes <sup>(1)(2)</sup>	[●]	[●]
	<b>Net issue Proceeds</b>	[●]	[●]

# Estimates are excluding GST and other taxes.

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

(2) The amount utilized for general corporate purposes shall not exceed 15% of the amount being raised by the issuer or ₹ 1,000 lakhs, whichever is less, in accordance with the SEBI ICDR Regulations..

For further details kindly refer to chapters titled “Objects of the Offer” beginning on page 90 of this Draft Red Herring Prospectus.

#### AGGREGATE PRE-OFFER SHAREHOLDING OF OUR PROMOTERS, PROMOTER SELLING SHAREHOLDERS AND ADDITIONAL TOP 10 SHAREHOLDERS

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

S. No	Pre-Offer Shareholding as at the Date of Advertisement			Post-Shareholding as at Allotment			
	Shareholders	Number of Equity Shares	Shareholding (in %) <sup>(1)</sup>	At the lower end of the price band (₹  ● )		At the upper end of the price band (₹  ● )	
				Number of Equity Shares <sup>(2)</sup>	Shareholding (in %) <sup>(1)</sup>	Number of Equity Shares <sup>(1)</sup>	Shareholding (in %) <sup>(1)</sup>
	PROMOTERS						
1.	Anantharamaiah Panish*	44,41,580	25.43%	●	●	●	●
2.	S Vinod Kumar*	41,44,580	23.72%	●	●	●	●
3.	Gururaj Dambal*	44,41,580	25.43%	●	●	●	●
4.	K N Sreenath*	44,41,580	25.43%	●	●	●	●
	PROMOTER GROUP						
5.	Usha G	22	0.00%	●	●	●	●
6.	Rama Subramanyam	22	0.00%	●	●	●	●
7.	Nithya M	22	0.00%	●	●	●	●
8.	Smita Dambal	22	0.00%	●	●	●	●
	TOTAL	1,74,69,408	100.00%	●	●	●	●

1. Based on the Offer price of ₹[●] and subject to finalization of the basis of allotment.

\* Are also Promoter Selling Shareholders.

#### SUMMARY OF RESTATED FINANCIAL INFORMATION

Financial details based on Restated Financial Statements for the years ended as on March 31, 2025, March 31, 2024 and March 31, 2023.

(₹ in Lakhs)

Particulars	For the Fiscal Year Ended March 31,		
	2025	2024	2023

Share Capital	79.41	79.41	79.41
Reserves and Surplus	2,100.59	1,269.37	866.96
<b>Net Worth</b>	<b>2,180.00</b>	<b>1,348.78</b>	<b>946.36</b>
Total Revenue	6,293.39	5,325.57	2,858.51
Restated Profit/(Loss) After Tax	831.23	402.41	92.29
Earnings per share of face value of ₹ 10 each attributable to equity holders (Post Bonus) - Basic & Diluted (in ₹)	4.76	2.30	0.53
Restated net asset value per Equity Share (Post Bonus)(In ₹)	12.48	7.72	5.42
Total Borrowings (Long-Term + Short-Term)	568.51	927.30	733.19

For further details, see “*Summary of Restated Financial Information*”, “*Restated Financial Statements*” and “*Basis for Offer Price*” on pages 61, 209 and 105.

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

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

## SUMMARY OF OUTSTANDING LITIGATIONS

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

(₹ in Lakhs)

Particulars	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our promoter	Material civil litigations	Aggregate amount involved
<b>Our Company</b>						
By our Company	Nil	Nil	1	Nil	Nil	29.34
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	See Note*	Nil	Nil	Nil	See Note*
<b>Promoters</b>						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>						
By our Group Companies	Not Applicable**					
Against our Group Companies	Not Applicable**					
<b>KMPs and SMPs</b>						
By our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Against our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil

Note: \*Ms. Shital Darak Mandhana, one of our Independent Directors has received a Notice under section 139(9) of the Income Tax Act, 1961, for the Assessment Year 2014-15 and the proceedings thereunder are pending. The Notice does not specify the amount that is under dispute or is pending to be paid. Hence, the amount is not quantifiable.

For further details, see “*Outstanding Litigation and Material Developments*” page 267 of the Draft Red Herring Prospectus.

## RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus. Any of the risks discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity

Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page no. 31 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES

Following are the contingent liabilities of our Company as on date of filing Draft Red Herring Prospects of the Company:

(₹ in Lakhs)

Particulars	As At		
	March 31, 2025	March 31, 2024	March 31, 2023
Contingent liabilities in respect of:			
Claims against the company not acknowledged as debts	0.00	0.00	0.00
Bank Guarantees given by the Company	485.33	242.98	482.82
Letter of Credit given by the Company	509.51	178.67	126.11
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	0.00	0.00	0.00
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.00	0.00	0.00
Income Tax Outstanding Demand	5.71	5.71	5.71
GST Demand	29.33	0.00	0.00
<b>Total</b>	<b>1,029.88</b>	<b>427.36</b>	<b>614.64</b>

For further details of contingent liability, see the section titled — “*Note 29 – Contingent Liabilities - Financial Information*” beginning on page 209 of this Draft Red Herring Prospectus.

## FINANCING ARRANGEMENTS

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

## PRICE AT WHICH EQUITY SHARES WERE ACQUIRED IN 3 PRECEDING YEARS OF THIS DRAFT RED HERRING PROSPECTUS

Details of price at which the Equity Shares were acquired by our Promoters, members of the Promoter Group, Promoter Selling Shareholders and other Shareholders in 3 preceding years of this DRHP:

S.No	Name of Acquirer/Shareholder	Date of Acquisition	Number of Equity Shares Acquired	Face Value (₹ 10)	Cost of acquisition per equity share
1.	Anantharamaiah Panish	August 19, 2025	42,39,690	10.00	0.01
2.	Gururaj Dambal	August 19, 2025	42,39,690	10.00	0.01
3.	S Vinod Kumar	August 19, 2025	39,56,190	10.00	0.01
4.	K N Sreenath	August 19, 2025	42,39,690	10.00	0.01
5.	Usha G	August 19, 2025	21	10.00	NIL
6.	Rama Subramanyam	August 19, 2025	21	10.00	NIL
7.	Nithya M	August 19, 2025	21	10.00	NIL
8.	Smita Dambal	August 19, 2025	21	10.00	NIL

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

Weighted Average cost of acquisition of Equity Shares by our Promoters as on the date of the Draft Red Herring Prospectus:

S. No	Name of Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Number of Equity Shares Acquired in last 1 year	Weighted Average Cost of Acquisition per Equity Share (in ₹)
1.	Anantharamaiah Panish (Also Promoter Selling Shareholder)	44,41,580	42,39,690	NIL
2.	Gururaj Dambal (Also Promoter Selling Shareholder)	44,41,580	42,39,690	NIL
3.	S Vinod Kumar (Also Promoter Selling Shareholder)	41,44,580	39,56,190	NIL
4.	K N Sreenath (Also Promoter Selling Shareholder)	44,41,580	42,39,690	NIL

*\*As certified by M/s. Vasanth & Co., Chartered Accountants, by way of their certificate dated September 20, 2025.*

For details regarding weighted average cost of acquisition of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” on page 75.

#### **WEIGHTED AVERAGE COST OF ACQUISITION OF ALL SHARES TRANSACTED IN THE LAST THREE YEARS, EIGHTEEN MONTHS AND ONE YEAR**

Period	Weighted Average Cost of Acquisition* (in ₹)	Cap Price is ‘X’ times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price-Highest Price (in ₹)
Three Years	Nil	NA	NA
18 Months	Nil	NA	NA
One Year	Nil	NA	NA

*As certified by M/s. Vasanth & Company, Chartered Accountants, by way of their certificate dated [●].*

*\*Except bonus issue there are no primary/new issuance of equity shares of the Company during last 3 years, eighteen months and 1 year.*

#### **AVERAGE COST OF ACQUISITION FOR OUR PROMOTERS AND PROMOTER SELLING SHAREHOLDERS**

Average cost of acquisition of Equity Shares for our Promoters:

S. No	Name of the Promoter and Promoter Selling Shareholder	Equity Share as on the date of this Draft Red Herring Prospectus	Average Cost of Acquisition per Equity Share (in ₹)*
1.	Anantharamaiah Panish	44,41,580	1.10
2.	Gururaj Dambal	44,41,580	1.10
3.	S Vinod Kumar	41,44,580	0.40
4.	K N Sreenath	44,41,580	1.10

*\*As certified by M/s. Vasanth & Company, Chartered Accountants, by way of their certificate dated September 20, 2025.*

For details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” on page 75.

#### **PRE-IPO PLACEMENT**

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

#### **RELATED PARTY TRANSACTIONS**

*(₹ in Lakhs)*

Transactions with Directors/KMP				
Particulars	Nature	March 31, 2025	March 31, 2024	March 31, 2023
Anantharamaiah Panish	Director Remuneration	61.20	41.88	42.38
Gururaj Dambal	Director Remuneration	47.28	27.96	28.46

S Vinod Kumar	Director Remuneration	38.76	21.84	21.24
K N Sreenath	Director Remuneration	38.16	21.24	21.24
<b>Transactions with Relatives of Directors</b>				
<b>Particulars</b>	<b>Nature</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Smita Dambal	Professional Fees	18.00	18.60	14.50
Nithya V	Professional Fees	18.00	18.60	15.00
Usha G	Professional Fees	18.00	18.60	15.00
Rama Subramanyam	Professional Fees	18.00	18.60	14.50
Ramabai Dambal	Professional Fees	6.00	0.00	0.00

For further details of the related party transactions and as reported in the Restated Financial Statements, see "*Restated Financial Statements*" beginning on page 209.

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

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

<b>Date of Allotment</b>	<b>Nature of allotment</b>	<b>No. of Equity Shares allotted</b>	<b>Face Value (in ₹)</b>	<b>Issue Price (in ₹)</b>	<b>Nature of consideration</b>	<b>Reasons for allotment</b>	<b>Benefits accrued to our Company</b>
August 19, 2025	Bonus Issue (in the ratio of 21:1 i.e. 21 new bonus shares of ₹ 10/- each for every 1 (one) existing fully paid equity share of ₹ 10/- each)	1,66,75,344	10	Not applicable	Other than cash	Bonus Issue	Capitalisation of Reserves

#### **SPLIT / CONSOLIDATION**

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

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

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



## SECTION III

### RISK FACTORS

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “Restated Financial Statements” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 209, 140 and 250 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

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

#### **Materiality**

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

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

#### **Note:**

*The risk factors are as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” on page 31 and Management Discussion and Analysis of Financial Condition and Results of Operations” on page 250 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.*

### INTERNAL RISK FACTORS

- 1. We intend to set up our integrated manufacturing unit on land taken on leave and license from Karnataka Industrial Areas Development Board (KIADB) and a part of the IPO proceeds is proposed to be utilised for the same. As per the lease agreement entered with KIADB, there are certain prescribed conditions and timelines pertaining to commencement and completion of work. Our Company was required to start the commercial productions by June 01, 2020. Our Company didn’t start the commercial production by the given date. Subsequently, we have been granted one year extension of time by KIADB for the commercial productions i.e. till May 22, 2026. In case we fail to start our commercial production by May 22, 2026, we may face consequences of non-adherence of the terms and conditions of KIADB, which could have an adverse impact on our growth plans and our business and financial condition.**

Our Company has been allotted a land admeasuring 4,020 sq. mtrs. (approximately 1 acre) vide allotment letter dated February 25, 2016 by the Karnataka Industrial Areas Development Board (KIADB), for a lease period of 99 years. The lease is liable to be cancelled automatically; in case the land is not utilised within a period of 3 years as per the allotment letter. As per the KIADB allotment terms, the Company was to commence civil construction work within 9 months of the date of taking over possession and production was to be commenced within a period of 3 years after taking possession. The possession date as per the allotment letter was on June 02, 2017.

The Lease cum Sale Agreement was entered into between the Company and KIADB on March 19, 2018 for a lease period of 10 years. As per the lease cum sale agreement, the lessee can seek extension of time by giving valid reasons. The Company approached KIADB for extension of dates for implementing the project. Subsequently vide letter dated May 23, 2025, KIADB has granted one year extension of time for implementation of the project.

As per the terms of the extension, in case the Company does not implement the project within the extended period (i.e. May 22, 2026), no further extension may be granted.

Our Company plans to start the civil construction work by utilising ₹ 150.00 Lakhs from internal accruals from October 2025. The balance capital expenditure requirement of ₹ 1,155.38 Lakhs will be utilised from the Fresh issue proceeds.

In case, we fail to raise fund from the IPO for the commencement and completion of construction work, we may have to surrender the land allotted by KIADB which would have a negative adverse effect on our growth plans, business and on our finances and profitability.

**2. We have not identified any alternate source of funding to meet our capital expenditure requirements and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Net Issue proceeds may delay the implementation schedule.**

The proposed fund requirement for our Capital expenditure for setting of integrated manufacturing unit as detailed in the chapter titled “*Objects of the Offer*” is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the chapter titled “*Objects of the Offer*” beginning on page no. 90 of this Draft Red Herring Prospectus.

**3. Our Company is involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition.**

Our Company is involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and adversely affect our reputation. A summary of the proceedings involving our Company, Directors, Promoters, Group Companies, KMPs and SMPs are provided below:

(₹ in lakhs)

Particulars	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our promoter	Material civil litigations	Aggregate amount involved
<b>Our Company</b>						
By our Company	Nil	Nil	1	Nil	Nil	29.34
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	See Note*	Nil	Nil	Nil	See Note*
<b>Promoters</b>						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our promoter	Material civil litigations	Aggregate amount involved
Group Companies						
By our Group Companies	Not Applicable**					
Against our Group Companies	Not Applicable**					
KMPs and SMPs						
By our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Against our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil

Note: \* Ms. Shital Darak Mandhana, one of our Independent Director has received a Notice under section 139(9) of the Income Tax Act, 1961, for the Assessment Year 2014-15 and the proceedings thereunder are pending. The Notice does not specify the amount that is under dispute or is pending to be paid. Hence, the amount is not quantifiable.

\*\*Our Company does not have any Group Company.

For further details, see “Outstanding Litigation and Other Material Developments” on page 267 of this Draft Red Herring Prospectus.

4. We derive a significant portion of our revenue from operations from limited number of customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows. Any adverse change in the business relationship with one or more of our top 5 and top 10 customers, including a reduction in order volume, changes in contract terms, delayed payments, or termination, could materially and adversely affect our revenue, cash flows, and overall financial performance.

A significant portion of our revenue from operations is derived from a limited number of customers, exposing us to customer concentration risk. For the financial years ended March 31, 2025, 2024, and 2023, revenue from operations generated from our top 5 customers accounted for 22.42%, 22.76%, and 36.01% of our total revenue from operations, respectively. Revenue from operations from our top 10 customers represented 31.50%, 37.07%, and 47.91% for the financial years ended March 31, 2025, 2024, and 2023. While we have past relationship with these customers, this concentration may reduce our pricing flexibility and bargaining power. Revenue generated from our top 5 and 10 customers are as follows:

(₹ In Lakhs)

Particulars*	As at and for the financial year ended March 31,					
	2025		2024		2023	
	Amount	%age	Amount	%age	Amount	%age
Top 5 customers	1,378.76	22.42	1,205.78	22.76	1,022.97	36.01
Top 10 customers	1,936.50	31.50	1,964.38	37.07	1,360.96	47.91
<b>Revenue from operations</b>	<b>6,148.58</b>		<b>5,298.77</b>		<b>2,840.65</b>	

Any adverse change in the business relationship with one or more of our top 5 and top 10 customers, including a reduction in order volume, changes in contract terms, delayed payments, or termination, could materially and adversely affect our revenue, cash flows, and overall financial performance. Although we are taking steps to mitigate such risk by practicing measures such as customer diversification and expanding into new geographies, there can be no assurance that such measures will sufficiently offset the risks associated with customer concentration.

5. Our reliance for raw materials/components is highly dependent on a few limited numbers of suppliers and the loss of one or more such suppliers, the deterioration of their financial condition or prospects, or higher demand from our competitors could adversely affect our supplies from these suppliers. Any adverse change in our business relationship with one or more of our top 5 and top 10 suppliers, including a reduction in materials supplied, changes in supply terms, changes in payment terms, or termination of our orders, could materially and adversely affect our revenue, cash flows, and overall financial performance and also expose us to risks of

**supply disruptions, pricing volatility which may adversely impact our production schedules and financial performance.**

We procure our raw materials on prevailing market price and availability of such materials exposes us to price fluctuations. Details of our top 5 and top 10 suppliers is as follows:

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		For the year ended March 31, 2023	
	Amount	%	Amount	%	Amount	%
Top 5 Suppliers	1,486.05	42.62%	1,503.33	41.00%	820.97	44.29%
Top 10 Suppliers	2,051.49	58.83%	2,115.41	57.69%	1,120.42	60.44%
<b>Purchase of raw material and consumables</b>	<b>3,486.93</b>		<b>3,666.80</b>		<b>1,853.78</b>	

Due to higher concentration of our material supplies, the loss of one or more key suppliers could materially disrupt our procurement and adversely impact our manufacturing process. While we have built strong relationships with many of our suppliers, there is no assurance that such relationships will continue or that similar business volumes will be maintained in the future. Any significant change in our supplier base or their ability to supply could affect our ability to meet production schedules and fulfil customer orders, resulting into adversely impacting our financial performance.

**6. We are subject to strict quality requirements by our customers any product defect issues, and any failure by us to comply with these requirements may lead to the cancellation of existing and future orders, recalls and product rejections.**

Failure by us to achieve or maintain compliance with specific and precise requirements in terms of quality and tolerances may disrupt our ability to supply products as per the customers' requirements, leading to the cancellation of existing and future orders, resulting in costs for replacement of defective products as well as product recalls, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, the supply of defective products may result in our customers initiating litigation against us, which could materially harm our reputation, business, financial condition, cash flows and results of operations. We are an ISO 9001:2015 certified manufacturer and, our operating facilities are subject to rigorous quality control checks, accreditation requirements, and periodic inspections. While there have been no instances where we were subject to any cancellation of orders and recalls due to quality defect issues in the last three financial years, we cannot guarantee that we can continue to comply with all specifications and requirements or the quality standards required by our customers and there can be no assurance that no such situation will arise in the future.

**7. Demand for our products is dependent on growth in the power generation, transmission and distribution related industry & infrastructure. Any adverse development in the power generation, transmission and distribution related industry & infrastructure may contribute to fluctuations in our results of operations and financial condition.**

The sale of our products i.e., (i) Relays; and (ii) Control and Relay Panels depends significantly on the growth in the power generation, transmission and distribution related industry & infrastructure. The Relays and the Control and Relay Panels that we manufacture are majorly used in the power sector and we may face disruption if this sector witnesses any downswing / slowdown.

Such a situation may lead to reduction in orders from the customers, delay or re-schedule of the delivery commitments. Owing to the high dependency of our business, any slowdown in this sector may have an adverse effect on our business, revenue and operations.

**8. We depend on the Tender / Government Orders from State owned Power Distribution and Transmission Companies, Private Players engaged in panel manufacturing / EPC Contractors and Dealers for selling of our products. Our significant dependence on Private Players for supply of our products may affect our revenue from operation and profits.**

We generate revenue from supplies to Power Distribution Companies through sales generated through the tender process, direct sales to private players and sales through dealers. A significant portion of our revenue from operations is derived from private players, exposing us to concentration risk. For the financial years ended March 31, 2025, 2024, and 2023, revenue from operations generated from private players accounted for 82.22%, 81.54%, and 73.16% respectively.

The table below sets out the percentage of our sale of products made through our various sales channels for the Fiscals 2025, 2024 and 2023:

(₹ In Lakhs)

Particulars	Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Private Players	5,055.09	82.22	4,320.80	81.54	2,078.25	73.16
Tender / Government Orders	1,007.33	16.38	952.78	17.98	758.75	26.71
Dealers	86.16	1.40	25.19	0.48	3.65	0.13
<b>Total</b>	<b>6,148.58</b>	<b>100.00</b>	<b>5298.77</b>	<b>100.00</b>	<b>2,840.65</b>	<b>100.00</b>

We are engaged in supply to B2B customers. Our products namely Relays and Control and Relay Panels are totally designed and manufactured for Private and State-Owned Power Distribution and Transmission Companies, EPC contractors, public utilities and is not intended for use by the general public or households. Our over dependence on the private players engaged in panel manufacturing / EPC Contractors exposes us to revenue concentration and any adverse change in our customer mix can have a material adverse effect on our business and financial operations.

**9. Our Company has not yet awarded the contract for civil construction, internal electrical works and internal plumbing work for implementing our project in the proposed integrated manufacturing unit and any delay or failure in implementation may adversely affect our business, financial condition, and results of operations.**

We propose to utilise a portion of the Net Proceeds from the Issue towards capital expenditure for proposed integrated manufacturing unit mainly for civil construction, internal electrical works and internal plumbing work. This Capital expenditure is based on the certificate provided by Architect (namely Sumathi Bhat M), quotations received from third party vendors and management estimates of prevailing market conditions. The successful implementation of this project is subject to several risks and uncertainties, including receipt of requisite regulatory approvals, availability of skilled and unskilled labour and development of required infrastructure. These estimates have not been appraised by any bank, financial institution or independent agency and may change due to internal or external factors, many of which are beyond our control.

There can be no assurance that the actual costs or time required for the establishment of the proposed facility will not exceed the estimates. Risks associated with the implementation of the proposed facility include, but are not limited to:

- delays or cost overruns arising from fluctuations in cost of material prices for civil construction, internal plumbing and internal electrical work, transportation constraints, or vendor-related delays;
- availability of labour, construction materials and contractors;
- stoppage of work due to relocation of our existing manufacturing facilities;
- interruptions caused by natural disasters, pandemics or other unforeseen circumstances; and
- potential changes in government policies or regulatory frameworks affecting industrial development.

While we have not experienced any delay in implementation during the Fiscal Years ended March 31, 2023, March 31, 2024 and March 31, 2025, we cannot assure that such delays or overruns will not occur in the future. Any failure or delay in implementing the proposed capital expenditure may adversely impact our ability to integrate our manufacturing capacity, meet customer demand, and achieve the anticipated benefits of scale, which could in turn have a material adverse effect on our business, financial condition, cash flows, and results of operations.

**10. Designing of our products is very important part of our business and to meet our customer specifications. We rely on our in-house team for such designing and any technical defect in such designing by our employees may have an adverse effect on our procuring orders and meeting customer requirements.**

The designing of the products namely Relays and Control and Relay Panels is a very crucial step for the procuring orders from customers and meeting their specifications and requirements. We have a team who undertakes the designing, engineering and drawing of the blue prints of the products to be manufactured. We have a team of 19 employees in the Quality and Testing Department who ensure compliance with the design specifications and quality standards laid down by our customers. In case the designs are not correct it may lead to orders being cancelled by the customer and/or loss of production. Further, in order to secure more and repeat orders from the customers we ensure that the designing is done basis the requirements of the customers. Since we are dependent on our in-house team for the designing of our products, any error at the designing stage may lead to loss of production and consequently the order, which could have an adverse effect on our operations, business and reputation.

**11. Any disruption, breakdown or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flows.**

We are dependent on our operating facilities for the manufacturing of our products. We have two manufacturing facilities, both of which located in Bengaluru, Karnataka, India. Manufacturing facilities are categorised as those facilities of the Company from where our Company conducts its operations for supply of products to its customers.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents, infectious diseases (such as COVID-19 pandemic), political instability, the need to comply with the directives of relevant government authorities and the requirement to obtain certain material approvals to operate our operating facilities.

Any adverse events resulting into any disruption, breakdown or shutdown of our manufacturing facilities can have a direct bearing on our business and financial operations and can lead to potential delays, increased costs, and interruptions in the routine business. While we have not experienced any such disruptions in the past, there cannot be any assurance that we will not experience it in the future.

**12. We have significant working capital requirements. If we experience insufficient cash flows from our operations or are unable to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.**

As we continue to expand our operations and rely more on generating revenue from government generated orders, our working capital requirements are expected to rise in the future. This shift results in higher inventory holdings and extended credit terms to customers, both of which are characteristic of manufacturing operations. In order to fund our growing working capital requirements, we may need to raise additional capital from internal and/or external sources from time to time. Some of the factors that may require us to raise additional capital include (i) business growth; (ii) unforeseen events beyond our control; and (iii) significant depletion in our existing capital base due to unusual operating losses.

The working capital requirement of our company for the last three financial years is as below:

(₹ in Lakhs)

S No	Particulars	31-Mar-25	31-Mar-24	31-Mar-23
<b>I</b>	<b>Current Assets</b>			
	Trade Receivables	2,119.08	1,483.64	1,115.56
	Inventories	1,470.95	1,193.31	770.29
	Short-Term Loan & Advances	358.15	246.17	360.08
	Other current Assets	96.35	57.17	40.53
	<b>Total (I)</b>	<b>4,044.53</b>	<b>2,980.29</b>	<b>2,286.45</b>
<b>II</b>	<b>Current Liabilities</b>			
	Trade Payables	927.17	676.29	575.65
	Other current liabilities	463.50	317.71	334.13
	Short-term provisions	802.93	553.21	280.16
	<b>Total (II)</b>	<b>2,193.60</b>	<b>1,547.21</b>	<b>1,189.94</b>
<b>III</b>	<b>Total Working Capital Gap (I-II)</b>	<b>1,850.92</b>	<b>1,433.09</b>	<b>1,096.51</b>
<b>IV</b>	<b>Funding Pattern</b>			
	Short term borrowings and internal accrual	1,850.92	1,433.09	1,096.51

Our net working capital requirement increased from ₹1,096.51 Lakhs as of March 31, 2023, to ₹1,433.09 Lakhs as of March 31, 2024, and further to ₹1,850.92 Lakhs as of March 31, 2025, as per our restated financial statements. We expect our working capital requirements to remain elevated in the near to medium term, particularly as we scale up our integrated manufacturing capacity and increase our order book. Any unforeseen delays in receivables realization, supply chain disruptions, or adverse changes in customer credit behaviour could further augment these requirements.

Failure to effectively manage our increasing working capital needs may adversely impact our operational efficiency, liquidity, and overall financial performance. As we do not intend to use the proceeds of the IPO to fund our working capital requirements and propose to fund the same from our internal accruals or from external sources, it cannot be assured that we will be able to meet the same efficiently. Any shortfall/delay in meeting our working capital requirements will hamper our business operations and profitability.

For details regarding our working capital facilities, see “*Objects of the Offer*” on page 90 of this Draft Red Herring Prospectus.

**13. Our existing manufacturing facilities, and our Registered Office are not owned by us and are taken on Lease and License basis. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be a material adverse effect on our business, financial condition and operations.**

Our registered office and control and relay panel manufacturing unit situated at No.8, Plot. No.35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli Village, Bengaluru is leased on a leave and license basis for a period of 3 years from August 18, 2023.

Our other manufacturing unit engaged in the manufacturing of relays situated at Plot No N-1, 4<sup>th</sup> Cross 1<sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru is leased on a leave and license basis for a period of 11 months from August 11, 2025.

The above properties are crucial for our business operations. There can be no assurance that the current lease agreements will be renewed upon expiry, or that we will be able to obtain alternative premises on commercially reasonable terms, in similar locations, or without incurring significant relocation or operational costs. Any non-renewal, early termination, or inability to secure comparable premises may result in disruption to our business operations and may have a material adverse effect on our financial condition and results of operations.

**14. We are dependent on various statutory and regulatory approvals to operate our business, and any failure to obtain, maintain or renew such approvals in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.**

Our Company is required to obtain, renew and maintain various statutory and regulatory approvals, licenses, registrations, permits, and no-objection certificates (NOCs) from Central, State and Local Governmental authorities under various laws, including those relating to environmental compliance, labour laws, factory laws, and industry-specific operational regulations, for carrying out our current business activities and proposed integrated manufacturing facility.

**Government Approvals required for New Integrated Manufacturing Facility:**

The company will be requiring the below mentioned government approvals, permissions and clearances for the Proposed factory unit which includes, inter alia, Pre-Establishment approvals/permissions/clearances and Post Establishment approvals/permissions/clearances along with the status for the applications –

Nature of License/ Approval/ NOCs	Name of the Authority	Status of the Application
Acquisition of the Land	-	Already acquired
Consent to establish (Amendment in existing license) as per Provision of Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Regional Officer, Nelamangala, Karnataka State Pollution Control Board	Reference No. KSPCB/RO-NEL/EO/Avana/2024-25/1336 dated 17.03.2025
Building Plan approval	Karnataka Industrial Area Development Board	Building Permit Certificated Reference No. DO1-KIADB-00090/25-26/BP dated 29.07.2025
Certificate of Commencement	Karnataka Industrial Area Development Board	To be obtained after completion of construction
Occupancy Certificate	Karnataka Industrial Area Development Board	To be obtained after completion of construction
NOC	Factories and Boilers Department	To be obtained after completion of construction
Environmental Clearance	MOEF or the Department of Forest Ecology and Environment, Government of Karnataka, if applicable	To be obtained after completion of construction

Delays in obtaining such approvals or additional conditions imposed by regulatory authorities may result in cost and time overruns, or may lead to a temporary or permanent cessation of operations at the affected facilities.

As on the date of this Draft Red Herring Prospectus, we have initiated the process of obtaining the necessary approvals for our proposed manufacturing unit as well as renewal of existing approvals. Any inability to obtain or renew the requisite approvals may hinder our expansion plans and adversely impact our business, financial condition and results of operations.

Further, any changes in the applicable regulatory framework, or the introduction of new laws or regulations, could require us to obtain additional approvals or make modifications to our operations, resulting in additional costs and potential disruptions.

**15. There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.**

Our Company is required to pay certain statutory dues including provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, and pay professional taxes. The table below sets forth the details of the delays in statutory dues payable by our Company in relation to its employees for the periods indicated below:

Particulars	Financial year 2025		Financial year 2024		Financial year 2023	
	Amount Paid (in ₹ Lakhs)	Number of days delay	Amount Paid (in ₹ Lakhs)	Number of days delay	Amount Paid (in ₹ Lakhs)	Number of days delay
Provident Fund	1.04	8 days*	No delay	NA	No delay	NA
Provident Fund	1.05	8 days*	No delay	NA	No delay	NA
ESIC	No delay	NA	No delay	NA	No delay	NA
Tax Deducted at Source on salaries	No delay	NA	No delay	NA	No delay	NA
Tax Deducted at Source on other payments	No delay	NA	No delay	NA	No delay	NA
GST – Interest paid for the month of March 2025 filed with delay – Due Date 23/04/2025; Filed on 24/4/2025.	0.14	1 day	No delay	NA	No delay	NA
Professional Tax	No delay	NA	No delay	NA	No delay	NA
Gratuity	No delay	NA	No delay	NA	No delay	NA

Note: \* Increment in salary for the months of April 2024 and May 2024 were disbursed to the employees in the month of July 2024. The provident fund dues on the same was required to be deposited by August 15, 2024. However, they were deposited only on August 23, 2024 with a delay of one day.

In the past, as mentioned in the above table, there have been few instances of delays in the remittance towards the payment of these statutory dues including employee provident fund contributions and filing of GST Returns. While we have addressed these issues, we cannot guarantee that similar delays or delays in payment of other statutory dues will not occur in the future. Such delays could result in penalties, interest charges, or other legal actions by the relevant authorities, which could adversely impact our financial performance and reputation.

**16. Our Company has filed corporate records with delays, which present potential risks.**

There have been delays in the filing of certain forms like Form 2 for the allotment made on March 30, 2011, September 30, 2011, May 05, 2012, Form 20B for the financial year 2010-11 and 2011-12, Form 23AC for the financial years 2010-11, 2012-13 and 2013-14, Form 66 for the financial years 2010-11, 2011-12, 2012-13 and 2013-14, Form 5 for the increase in Authorised Capital on July 04, 2011 and April 09, 2011, Form ADT -1 for the appointment of Auditor for the Term 2014 to 2019, Creation and Modification of Charge – CHG-1 and filing of Form AOC-4 for the financial year 2023-24. The details of the corporate records which have been filed with a delay are as under:

Sr. No.	Form / Return / document filed	Purpose / Details	Date of Event	Challan No	Due Date	Date of Filing of Form:	Number of Days Delay
1	Form 2	Return Allotment.	30-03-2011	S05601786	28-04-2011	01-08-2011	95
2	Form 20B	Annual return for FY 2010-11.	30-09-2011	P85901007	28-11-2011	18-02-2012	82



Sr. N o.	Form / Return / document filed	Purpose / Details	Date of Event	Challan No	Due Date	Date of Filing of Form:	Number of Days Delay
3	Form 23 AC & ACA	Financial statement for FY 2010-11.	30-09-2011	P85901122	29-10-2011	18-02-2012	112
4	Form 66	Compliance Certificate for FY 2010-11.	30-09-2011	Q03794492	29-10-2011	18-02-2012	112
5	Form 2	Return Allotment.	30-09-2011	S07049505	29-10-2011	21-11-2011	23
6	Form 5	Increase of authorised Capital.	04-07-2011	B18325795	02-08-2011	17-08-2011	15
7	Form 23B	Auditor Appointment Filed by Auditor for FY 2010-11.	21-07-2010	S07945074	19-08-2010	18-02-2012	183
8	Form 23B	Auditor Appointment Filed by Auditor for FY 2011-12.	30-09-2011	S07945082	29-10-2011	18-02-2012	112
9	Form 5	Increase of authorised Capital.	09-04-2012	B39500905	08-05-2012	21-05-2012	13
10	Form 2	Return Allotment.	05-05-2012	S08777112	03-06-2012	11-06-2012	8
11	Form 66	Compliance Certificate for FY 2011-12.	29-09-2012	Q03794492	28-10-2012	02-12-2012	35
12	Form 23AC & ACA	Financial statement for FY 2011-12.	29-09-2012	Q06221337	28-10-2012	28-01-2013	92
13	Form 20B	Annual return for FY 2011-12.	29-09-2012	Q06215917	27-11-2012	28-01-2013	62
14	Form 23B	Auditor Appointment Filed by Auditor for FY 2012-13.	29-09-2012	S07945082	28-10-2012	28-01-2013	92
15	Form 66	Compliance Certificate for FY 2012-13.	30-09-2013	Q26232512	29-10-2013	29-11-2013	31
16	Form 23AC & ACA	Financial statement for FY 2012-13.	30-09-2013	Q26331447	29-10-2013	29-11-2013	31
17	Form 23B	Auditor Appointment Filed by Auditor for FY 2013-14.	30-09-2013	S28264166	29-10-2013	29-11-2013	30
18	Form 32	Resignation of Director.	31-03-2013	B79146320	29-04-2013	11-07-2013	73
19	Form 66	Compliance Certificate for FY 2013-14.	30-09-2014	Q45050432	29-10-2014	11-11-2014	13
20	Form 23AC & ACA	Financial statement for FY 2013-14.	30-09-2014	Q45052008	29-10-2014	11-11-2014	13
21	Form ADT-1	Auditor Appointment for FY from 01-04-2014 to 31-03-2019.	30-09-2014	S33071259	14-10-2014	11-11-2014	28
22	Form CHG-1	Modification of Charge. Charge ID: 10262492.	21-01-2015	C46198990	19-02-2015	13-03-2015	22
23	Form CHG-1	Creation of Charges: Charge ID: 100322472.	27-12-2019	R33168915	25-01-2020	15-02-2020	21
24	Form CHG-1	Creation of Charges: Charge ID: 100322475.	27-12-2019	R33169897	25-01-2020	15-02-2020	21
25	Form CHG-1	Creation of Charges: Charge ID 100549604.	28-12-2021	T83105601	26-01-2022	24-02-2022	29
26	Form CHG-1	Creation of Charges- Charge ID:100565495.	17-03-2022	T98712086	15-04-2022	30-04-2022	15
27	Form CHG-1	Modification of Charge: Charge ID: 100565495.	26-07-2022	AA0323321	24-08-2022	19-09-2022	26

Sr. N o.	Form / Return / document filed	Purpose / Details	Date of Event	Challan No	Due Date	Date of Filing of Form:	Number of Days Delay
28	Form AOC-4	Financial statement for FY 2021-22.	30-09-2022	F39601349	29-10-2022	03-11-2022	5
29	Form CHG-1	Modification of Charge: Charge ID: 100565495.	30-12-2022	AA1287824	28-01-2023	24-02-2023	27
30	Form CHG-1	Modification of Charge: Charge ID: 100565495.	26-06-2023	AA3998037	25-07-2023	08-08-2023	14
31	Form CHG-1	Modification of Charge: Charge ID: 100565495.	25-08-2023	AA4513370	23-09-2023	10-10-2023	18
32	Form CHG-1	Creation of Charge: Charge ID: 100914134.	19-12-2023	AA6506635	17-01-2024	22-01-2024	5
33	Form CHG-1	Modification of Charge: Charge ID: 100565495.	07-12-2023	AA6720373	05-01-2024	02-02-2024	28
34	Form AOC-4	Financial statement for FY 2023-24.	30-09-2024	N14102347	29-10-2024	07-11-2024	9
35	Form DPT-3	Return of deposits for year ending 2021.	31-03-2021	AB6209847	30-06-2021	29-08-2025	1520
36	Form DPT-3	Return of deposits for year ending 2024.	31-03-2024	AB6209444	30-06-2024	29-08-2025	425

**Note:**

1. Delayed form is considered as filed since the company has paid the additional fee to the MCA.
2. The number of days is calculated based on the actual due date of the form and does not take into account the extension given by the MCA.

While the Company has taken corrective actions and the requisite forms have been filed, these delays could still attract penalties

**17. Our business and our financial condition would be materially and adversely affected if we fail to obtain new purchase orders and contracts.**

Our company is engaged in the business of manufacturing of relays and control and relay panels which are critical equipment in the power transmission and distribution sector. Our revenue from operations is dependent on the receipt of new purchase orders from customers. As part of our business, we receive the Request for Quotation (RFQ) from customers along with the details and specifications of the product to be manufactured. Based on the product design and specifications provided by the customers, we provide the quotations to the customers and the work orders are typically awarded to us based on the satisfaction of prescribed qualification criteria and the price quoted by our company. There can be no assurance that we would always be able to get the purchase order in our favour. The growth of our business mainly depends on our ability to obtain new contracts. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of production and timely delivery of the products as per the customer specifications. If we are unable to obtain new orders for our business, our business will be materially and adversely affected.

**18. We operate in competitive markets and face competition from different players in the market which may have an impact on our business, cash flows, financial condition and results of operations.**

We operate in highly competitive markets and there are no specific entry barriers to the industry in which we operate. Our business requires high capital requirement, manufacturing setup, product knowledge, customer validation and approvals process and expectation from customers for high quality products and stringent specifications may act as barriers to new entrants. There are several strategies adopted by our competitors to increase their market shares including pricing, discounts, multi-location operations, multi-level marketing etc. In India, these competitors include companies which are engaged in the manufacturing of transformers and control and relay panels and other electrical equipment manufacturers. To protect our existing market share or capture additional market share in this highly competitive environment, we may be required to increase expenditure for promotions and introduce and establish new products or services. There can be no assurance that our current or potential competitors will not offer products and services

comparable or superior to those we offer at the same or lower prices, adapt more quickly to changes in customer preferences, or expand their operations at a faster pace than us. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing an adverse effect on our operations, prospects and financial condition.

**19. Loans availed by Our Company has been secured on personal guarantees of our Promoter Directors. In case of invocation of the personal guarantees provided by our Promoter Directors, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.**

Our Promoters have provided personal guarantees to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of any default of our loan agreements, the personal guarantees may be invoked which could negatively impact our reputation and financial position. We may also not be successful in providing alternate guarantees/ alternate security satisfactory to the lenders and as a result, may need to repay the outstanding loans or seek additional sources of capital, which could add to our debt burden, financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Financial Indebtedness*” on page 246 of this Draft Red Herring Prospectus.

**20. We may not be able to realize the amounts, partly or at all, reflected in our Order Book which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.**

As of August 31, 2025, our Company’s has an order book of around ₹ 4,674.58 lakhs at order value less amount billed representing manufacturing and supply of transformers and relay panels. The future earnings of our company are related to the successful production and delivery of the equipment in the order book, which may not be realized due to cancellations of orders or change in scope or schedule adjustments by customers. Moreover, factors beyond our control or the control of our clients may postpone the work order or cause its cancellation. Due to the possibility of cancellations or changes in scope and delivery schedule, resulting from our clients’ discretion or problems we encounter during production process or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an equipment forming part of our order book will be produced and delivered. Delays in the production and delivery of the equipment can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such purchase orders. Even relatively short delays or difficulties could result in our failure to receive, on a timely basis or at all, all payments due. This could have an adverse effect on our business operations, revenue and profitability.

**21. Our Company has availed unsecured loans which may be recalled by the lenders on demand.**

As on March 31, 2025, we have outstanding unsecured loan amounting to Rs. 65.75 Lakhs from NBFCs and third parties which are repayable on demand. For further details of our unsecured loans, please refer the chapter titled “*Financial Indebtedness*” beginning on page no. 246 of this Draft Red Herring Prospectus.

These loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, we may be required to repay the entirety of the unsecured loans. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to us. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, results of operation financial condition and cash flow.

**22. We deploy advanced technologies in the manufacturing, and designing of control and relay panels. Any incapability to adopt a new technology or change in the requirement of a particular technology by the government authorities may affect our position.**

The manufacturing, designing and installation of our products is technically complex, time consuming and resource intensive because of complex manufacturing process and strict adherence to customers specifications and requirements. Our continued success depends on our ability to anticipate industry trends and identify, develop and market new value-added services that meet customers’ demands, to continually enhance our equipment in a timely and cost-effective manner. The change in the industry standard require us to upgrade internal process and procedures and new equipment and technologies. The changes require additional finance and if we are not able to arrange the finance in a timely manner or if there is any delay in procuring the latest equipment, it will affect our business, financial conditions and our operations. In the event of any change in the requirement by the government authorities/bodies of any technology presently used, which we are not able to provide or we lack sufficient expertise in that technology, we will not be in a position to undertake such work orders for lack of technical qualification and our competitors may get an advantage due to our incapability which could have an adverse effect on our business and revenue from operations.

**23. If we are unable to manage our growth effectively, our business, future financial performance and results of operations could be materially and adversely affected.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our business as and when opportunities exist including by diversifying our business, increasing our reach in other geographies and by expansion into opportunistic areas and partnerships. For details, see “*Our Business – Our Strategies*” on page 157 of this Draft Red Herring Prospectus. This could place significant demands on our operational, credit, financial and other internal risk controls. In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. As our business grows, we may require additional personnel and as a result, our operating expenses and capital requirements may increase significantly. Our ability to manage our growth effectively requires us to forecast accurately our revenue, growth and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. We may also be exposed to certain other risks, including difficulties arising from operating a larger and more complex organisation; the failure to (i) efficiently and optimally allocate management, technology and other resources across our organisation, (ii) compete effectively with competitors and (iii) the inability to control our costs; and unforeseen legal, regulatory, property, labour or other issues.

**24. If we are unable to retain and hire skilled employees, or to maintain good relations with our workforce, our business and financial condition may be adversely affected.**

Our ability to provide quality products and services and to manage the complexity of our business depends, in part, on our ability to retain and attract skilled personnel in the areas of management, product engineering, design, manufacture, servicing, sales, information technology, and finance. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our managements’ and employees’ skills and resources. As of August 31, 2025, we had a total work force of 129 employees employed by our company on a full-time basis and apart from the permanent employees on roll, we also employ personnel on a contractual basis. We cannot ensure that we will not be subject to work stoppages, strikes or other types of conflicts with our employees or contract workers in the future. Any such event, at our current facilities or at any new facilities that we will commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition. Any changes in the existing labour laws, may increase our labour cost and may also increase time spent by the management in labour related matters, which could impact our business and results of operations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**25. We rely on certain third parties, for the transportation of our raw materials and our finished products. Any disruptions may adversely affect our operations, business and financial condition.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities for transportation of our raw materials and our finished products to our various places. For this purpose, we hire services of transportation companies. Our reliance on such third-party logistics providers may increase as we expand our operations. Further, the value of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

**26. We significantly depend upon few of the raw material suppliers for our manufacturing activities. Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations.**

Our production requires raw materials which majorly includes microcontrollers / processors, integrated chips, diodes mainly used in power supplies and other signal conditioning circuits, passive components like resistors and capacitors, current transformer, brass components like terminals, studs, bracket etc; metal boxes, plastic components and croton boxes for packing of products, numerical relays, electromechanical relays, annunciators, indicating lamps & push buttons, control switches, control cables / wires, semaphore indicators, terminal blocks, digital / analog metres and MS / SS

cubicles. The amount spent for the procurement of raw materials from our top ten suppliers, as a percentage of cost of materials consumed, was 69.42% for the financial year ended March 31, 2025, 71.19% for the financial year ended March 31, 2024, and 78.66% for the financial year ended March 31, 2023. Our cost of raw materials consumed for the financial year ended March 31, 2025 was ₹. 3,311.35 lakhs, which represented 53.86%, 61.58% and 64.85% of our revenue from operations, for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 respectively. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices.

We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials as per our purchase orders. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Any delay in the supply or delivery of raw materials to us by our suppliers may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business, cash flows and results of operations. Additionally, our inability to predict market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

**27. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.**

As on date of this Draft Red Herring Prospectus, we operate through our 2 manufacturing facilities located at Peenya Industrial Area, Bengaluru, Karnataka (both of which have been taken on lease) with an aggregate installed production capacity of 600 units per annum for manufacturing control and relay panels and an installed production capacity of 70,000 per annum for manufacturing relays. Our capacity utilisation for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 is as under:

Financial Year	Particulars	Relays	Control and Relay Panels
March 31, 2025	Installed Capacity (in number of units)	70,000	600
	Actual Production (in number of units)	65,840	523
	Percentage (%)	94.50	87.16
March 31, 2024	Installed Capacity (in number of units)	70,000	600
	Actual Production (in number of units)	58,501	502
	Percentage (%)	83.57	83.66
March 31, 2023	Installed Capacity (in number of units)	70,000	600
	Actual Production (in number of units)	27,942	478
	Percentage (%)	39.91	79.66

Note: As certified by Souparnika Associates Independent Chartered Engineer pursuant to their certificate dated September 13, 2025.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facilities, the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. In the event we are unable to achieve considerable capacity utilization of our current manufacturing facilities, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant

under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. Our related party transaction accounted for ₹ 263.40 lakhs, ₹ 187.32 lakhs and ₹ 172.32 lakhs for the financial years March 31, 2025, March 31, 2024 and March 31, 2023 respectively which was 4.28 %, 3.54% and 6.07% of the total revenue from operations for the same periods respectively. These Related Party Transactions were remuneration paid to our Directors and Professional Fees paid to the relatives of our Directors. For details, see “*Restated Financial Statements - Related Party Transactions*” beginning on page 209 of this Draft Red Herring Prospectus. While we have entered into all such related party transactions on an arm’s length basis and that they are legitimate business transactions conducted in accordance with the applicable provisions of Companies Act, any further transactions with our related parties could involve conflicts of interest. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

**29. Our insurance coverage may be insufficient to protect us against all present and future risks, which may adversely affect our business, financial condition, results of operations and prospects.**

Our company has obtained insurance coverage in respect of certain risks. Our insurance coverage consists of include burglary, vehicle insurance, marine cargo open policy, fire policy for building, finished stock, plant and machinery, furniture and stock, group personal accident policy and group medical insurance policy.

As of August 31, 2025, the total amount of our insurance coverage for our fixed assets and inventories of finished goods at our factory was ₹ 1760 lakhs. The following table sets forth information in relation to the total amount insured and gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) and insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) as of the Fiscals indicated:

(₹ in Lakhs)

Particulars	As of August 31, 2025	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
<b>Total amount insured</b>	680.00*	-	-	92.00 (Insured till March 18, 2023)
<b>Total Book value of Fixed Assets</b>	317.26 (As on March 31, 2025)	317.26	369.66	198.00
<b>%age of insurance cover</b>	NA	NA	NA	46.46%

*\*Inclusive of Burglary, Fire and Machinery Breakdown*

While, we have not made any claim for insurance in the past 3 financial years, some of our claims could exceed the scope of the coverage in effect or coverage of particular claims could be denied. We believe our liability insurance has been adequate in the past but there can be no assurance that our insurance coverage will be sufficient to cover all future claims. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected. Additionally, such insurance may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. If we were to make a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. If our losses significantly exceed our insurance coverage or cannot be recovered through insurance, our business financial condition and results of operations could be adversely affected. If we suffer any uninsured loss or if claim made by us in respect of an insurance is not accepted or any loss occurred by us is in excess of the insurance coverage may adversely affect our operation, results and financials. For further information, see the section titled “*Our Business*” on page 140 of this Draft Red Herring Prospectus.

**30. Certain documents in relation to educational qualification for one of our Director are not available and reliance has been made on declarations and affidavits furnished by such Director for details of their profiles included in this Draft Red Herring Prospectus.**

Our Executive Director K N Sreenath is unable to trace copies of documents pertaining to his educational qualifications. Accordingly, reliance has been placed on declarations, undertakings and affidavits furnished by him to us, to disclose details of his educational qualifications in this Draft Red Herring Prospectus. We have been unable to independently

verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that our Director will be able to trace the relevant documents pertaining to their qualifications and prior experience in future, or at all.

**31. There is no monitoring agency appointed by our Company to monitor the utilization of the Offer proceeds.**

As per SEBI ICDR Regulations, as amended, appointment of monitoring agency is required only for offer size above ₹ 5,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Offer proceeds.

However, the audit committee of our Board will monitor the utilization of Offer proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**32. Our Company has experienced negative cash flow from operating activities 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 from operating activities in the recent past, the details of which are provided below:

(₹ in Lakhs)(Restated)			
Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Net Cash Flow from / (used in) Operating Activities	676.66	94.77	(31.75)
Net Cash Flow from / (used in) Investment Activities	(74.24)	(109.50)	(119.32)
Net Cash Flow from / (used in) Financing Activities	(450.04)	82.92	231.46

The reason for the negative cash flow from operating activities was due to reasons mentioned below:

**Cash Flows from Operating Activities**

For the year ended on March 31, 2025

Our net cash generated from operating activities was ₹ 676.66 Lakhs for the Fiscal 2025. Our net profit before tax of ₹ 1,229.88 Lakhs for the Fiscal 2025 which was primarily adjusted against Depreciation and amortization of ₹ 75.63 Lakhs, Prior Period Items of ₹ (76.02) Lakhs, Finance Cost of ₹91.25 Lakhs and Interest & Dividend Income of ₹29.21 Lakhs. Operating profit before working capital changes was ₹ 1,291.54 Lakhs for the Fiscal 2025. The adjustments to operating profit before working capital changes included adjustments for (i) Increase in Inventories of ₹277.64 Lakhs, (ii) Increase in trade receivables of ₹ 635.44 Lakhs, (iii) Increase in other current assets of ₹ 39.18 Lakhs, (iv) Increase in trade payables ₹ 250.88 Lakhs (v) Increase in short term provisions of ₹ 265.58 Lakhs (vi) Increase in current liabilities of ₹ 145.79 Lakhs. Tax paid for the Fiscal 2025 amount to ₹ 324.88 Lakhs.

For the year ended on March 31, 2024

Our net cash generated from operating activities was ₹ 94.77 Lakhs for the Fiscal 2024. Our net profit before of ₹ 622.58 Lakhs for the Fiscal 2024 which was primarily adjusted against Depreciation and amortization of ₹ 35.00 Lakhs, Prior Period Items of ₹ (36.55) Lakhs, Finance Cost of ₹ 111.19 Lakhs and Interest & Dividend Income of ₹ (24.62) Lakhs. Operating profit before working capital changes was ₹ 707.60 Lakhs for the Fiscal 2024. The adjustments to operating profit before working capital changes included adjustments for (i) Increase in Inventories of ₹ 423.02 Lakhs, (ii) Increase in trade receivables of ₹ 368.09 Lakhs, (iii) Increase in other current assets of ₹ 16.64 Lakhs, (iv) Increase in trade payables ₹ 100.64 Lakhs (v) Increase in short term provisions of ₹ 274.66 Lakhs (vi) Decrease in current liabilities of ₹ 16.42 Lakhs. Tax paid for the Fiscal 2024 amount to ₹ 163.95 Lakhs.

For the year ended on March 31, 2023

Our net cash utilised in operating activities was ₹ 31.75 Lakhs for the Fiscal 2023. Our net profit before tax of ₹117.46 Lakhs for the Fiscal 2023 which was primarily adjusted against Depreciation and amortization of ₹ 12.16 Lakhs, Finance Cost of ₹ 80.29 Lakhs and Interest & Dividend Income of ₹ 16.73 Lakhs. Operating profit before working capital changes was ₹ 192.92 Lakhs for the Fiscal 2023. The adjustments to operating profit before working capital changes included adjustments for (i) Increase in Inventories of ₹ 229.27 Lakhs, (ii) Increase in trade receivables of ₹ 420.49 Lakhs, (iii) Decrease in other current assets of ₹ 13.42 Lakhs, (iv) Increase in trade payables ₹ 279.98 Lakhs (v) Increase in short



term provisions of ₹ 82.85 Lakhs (vi) Increase in current liabilities of ₹ 79.95 Lakhs. Tax paid for the Fiscal 2023 amount to ₹ 31.10 Lakhs.

**33. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.**

As on March 31, 2025 we had total inventory consisting of raw material, work in progress and finished goods to the value of Rs. 1,470.95 Lakhs. Our business operations require us to maintain large amounts of inventory at times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during factory stocking and display. Although we have set up various security measures and follow stringent operational processes but, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to fraud, theft or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft or misconduct and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

**34. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialize, may adversely affect our financial condition.**

As of March 31, 2025, we had certain contingent liabilities that have not been accounted for in the Restated Financial Information. These contingent liabilities are in relation to certain claims not acknowledged as debts, guarantees given on behalf of company and certain TDS defaults and outstanding income tax dues, which have been contested by the Company at various forums, details of which are set out below:

(Rs. in lakhs)

Particulars	Financial year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Bank Guarantees given by Company	485.33	242.98	482.22
Letter of Credit given by the Company	509.51	178.67	126.11
Income Tax Outstanding Demand	5.71	5.71	5.71
GST Demand	29.33	0.00	0.00
<b>Total</b>	<b>1,029.88</b>	<b>427.36</b>	<b>614.64</b>

For further details, see “Restated Financial Statements – Note 29– Contingent Liabilities beginning on page 209 of this Draft Red Herring Prospectus.

Our contingent liabilities may become actual liabilities. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

**35. We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations**

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2025 our debt equity ratio was 0.13 and our total outstanding long-term borrowings was ₹ 126.16 lakhs, which comprises ₹ 60.41 lakhs as long term secured from Banks and long-term unsecured loans of ₹ 65.75 lakhs from our bankers. Our short-term borrowings from banks were ₹ 442.35 lakhs. Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

As per the restated financial statements as on March 31, 2025, our Company has availed a total sum of ₹ 65.75 lakhs as unsecured loans from banks and financial institutions to meet the fund requirements of our Company. Such unsecured loan is interest bearing and may be recalled at any time. In the event, they seek a repayment of the unsecured loans, we may be required to arrange for funds to fulfil the necessary requirements. For further details regarding our indebtedness, see “Financial Indebtedness” on page 246 of this Draft Red Herring Prospectus.



A downgrade in credit rating could also adversely impact interest cost or access to future borrowings and our ability to meet obligations including financial and other covenants under debt financing agreements which could in turn adversely affect our business, results of operations and cash flows.

**36. We are subject to restrictive covenants under our credit facilities that limit our operational flexibility.**

The loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of or banking with any other bank, etc. There can be no assurance that such consent will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “*Financial Indebtedness*” on page 246 of this Draft Red Herring Prospectus.

**37. There are dues to MSMEs as at the end of March 31, 2025, March 31, 2024 and March 31, 2023.**

There were due to MSMEs as at the end of March 31, 2025, March 31, 2024 and March 31, 2023, the details of which are provided below:

(Rs. In lakhs)

Particulars	FY March 31, 2025		FY March 31, 2024		FY March 31, 2023	
	Less than 1 year	1-2 years	Less than 1 year	1-2 years	Less than 1 year	1-2 years
Trade Payables – MSME Dues	266.62	-	353.37	-	-	125.20

**38. The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.**

We propose to utilise the Net Proceeds for civil construction of new premises, towards working capital requirements and General Corporate Purposes. For details, see “*Objects of the Offer*” on page 90 of this Draft Red Herring Prospectus. The deployment of the Net Proceeds is based on management estimates, prevailing circumstances of our business & market conditions. The Objects of the Offer have not been appraised by any bank or financial institution. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the Shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds and any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations.

**39. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Offer, which will allow them to determine the outcome of the matters requiring the approval of shareholders.**

Our promoters along with the promoter group will continue to hold collectively [●] of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**40. An inability to establish and maintain effective internal controls could lead to an adverse effect on our business and reputation.**

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls commensurate with the size and complexity of our operations. We are exposed to operational risks arising from

the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

**41. Our success depends significantly on our Promoters, Key Management Personnel and other senior management and skilled personnel. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.**

We believe that the experience of our Promoters, Key Management Personnel and Senior Management Personnel has been critical to our success and business growth over the years. Their in-depth knowledge of the market and the business operations have ensured our growth in the business. As a result, any loss of the services of any of our Promoters or senior management could materially and adversely affect our business, financial condition and results of operations. Attracting, hiring and retaining experienced and qualified senior management with years of experience in this business sector could require increasing compensation and benefits payable to such personnel, which could affect our operational costs and accordingly, our financial condition and results of operations.

Our success is also dependent on our ability to attract, hire, train and retain experienced and skilled sales personnel with adequate and proper knowledge of our applications. Our inability to recruit, train and retain suitably qualified and skilled sales personnel who maintain consistency in our standards of customer service and overall operations could adversely impact our reputation, business prospects and results of operations.

**42. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.**

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

For further details, please refer to section titled “*Government and Other Statutory Approvals*” [●] of this Draft Red Herring Prospectus.

**43. Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**44. If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.**

We believe that our brand plays a significant role in the success of our business and sustaining customer loyalty. The ability to differentiate our products from that of our competitors is an important factor in attracting customers.



We own and have registered our logo. under class 44 before the Registrar of Trademarks as on the date of this Draft Red Herring Prospectus. The application of laws governing intellectual property rights in India is uncertain, evolving and could involve substantial risks to us. Failure to register or renew the registration of any of our registered intellectual properties may affect our right to use such intellectual properties in future or allow others to use our products and designs as available in the public domain, without our consent. Further, if we are unable to register our intellectual properties for any reason, including our inability to remove objections to any trademark application, or if any of our unregistered trademarks are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark, and as a result, we may not be able to seek remedies for infringement of those

trademarks by third parties, which would cause damage to our business prospects, reputation and goodwill in India and abroad. We cannot assure you that there will not be similar instances where our applications for trademarks may be opposed, which may have a material adverse effect to our business.

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

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled “Industry Overview” on page 117 of this Draft Red Herring Prospectus. We have made disclosures in the said chapter based on the relevant industry related data available online for which consents have been obtained. We have not independently verified such data. We have also included certain data by sourcing the same from Indian Electrical and Electronics Manufacturers’ Association (IEEMA) after making necessary payment, for which specific consent has not been obtained. We cannot assure you that any assumptions made in these reports are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry data mentioned in this Draft Red Herring Prospectus 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 Draft Red Herring Prospectus in this context.

**46. Our Promoters and Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.**

Our Promoters and members of our Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders. Certain of our Directors (including our individual Promoters) hold equity interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Further, our Key Managerial Personnel also hold significant number of shares in our Company. We cannot assure you that our Promoters and Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Following the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold approximately [●] % of our post- Offer Equity Share Capital. As a result, they will have the ability to significantly influence matters requiring shareholders’ approval, including the ability to appoint Directors to our Board of Directors and the right to approve significant actions at Board and at shareholders’ meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our MOA and AOA, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “Our Management” and “Our Promoters and Promoter Group” on pages 188 and 201 respectively of this Draft Red Herring Prospectus.

**47. The average cost of acquisition of Equity Shares by our Promoters is lower than the price determined at time of registering the Prospectus.**

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Offer Price as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” on page 75 of this Draft Red Herring Prospectus.

**48. The Offer Price, market capitalization to revenue multiple, price to earnings ratio and EBITDA based on the Offer Price of Company, may not be indicative of the market price of the Company on listing or thereafter.**

The Offer Price of the Equity Shares will be determined by our Company by the Book Building Method and is based on a number of factors. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. The Offer price, the market capitalisation multiple, price to earnings ratio and EBITDA based on the Offer Price may not be indicative of the market price of the Company on listing of the shares or thereafter.

**49. We have issued Equity Shares during the last one year at a price that will be below the Offer Price.**

In the preceding 12 months, except for the allotment 1,66,75,344 Equity Shares as bonus issue there are no issues at a price which will be below the Offer price. For details relating to list of allottees, date of allotment etc. please refer to section titled “*Capital Structure*” on page 75 of this Draft Red Herring Prospectus.

**50. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares.

**51. Our Directors have no experience in being associated with a listed entity.**

All our Directors including our independent directors are not associated and were not associated with any listed entity. With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, and in order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In case we fail to comply with the compliance requirements, we may be subject to penalties which could have an adverse material impact on our reputation.

**52. Our Company may be materially adversely affected by labour unrest, slowdowns, strikes, work stoppages or increased wage demands by our employees or those of our suppliers.**

Healthcare is a manpower-intensive sector and we retain a large number of healthcare professionals including doctors and nurses for providing services to our patients. Furthermore, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Presently, none of the employees of our hospitals are unionized. In the event that employees seek to unionize, it may become difficult for us to maintain flexible labour policies, and it may increase our costs and adversely affect our business. There is no assurance that instances of labour unrest, slowdowns or work stoppages will not occur in the future, and any disruption in services due to any potential strikes (including those by the contract labour employed through third-party contractors), may affect our reputation, business, financial condition and results of operations.

We are also subject to laws and regulations governing relationships with our employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. If we fail to comply with such regulations, it could lead to enforced shutdowns and/or other sanctions imposed by the relevant authorities. If labour laws become more stringent, it may become difficult for us to maintain and continue to optimize our flexible human resource policies, which could have an adverse effect on our business, financial condition and results of operations. Our financial condition may also be adversely affected by other changes in labour laws. For instance, while the Code on Social Security, 2020, has not come into effect yet, in the future, we may be required to pay gratuity on a pro rata basis to our consultant doctors, upon expiration of their fixed term of employment, irrespective of their term of service.”

**53. We are exposed to the risks of malfunctions or disruptions of information technology systems.**

We depend on information technology systems and accounting systems to support our business processes, including designing, planning, execution, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to outages due to fire, floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. While, our Company has not experienced such instances in the last three (3) financial years, effective response to such disruptions or malfunctions will require effort and diligence on the part of our third-party distribution partners and employees to avoid any adverse effect to our information technology systems.

**54. Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.**

Wage costs as well, as operating costs, in India have historically been significantly lower than wage costs and operating costs in the other developed economies; and these reduced costs have been one of the sources of our competitive strengths. However, wage and operating expense increases in India may prevent us from sustaining this competitive advantage and

may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Further, Additionally, the Government of India has introduced (a) the Code on Wages, 2019 (“Wages Code”); (b) the Code on Social Security, 2020 (“Social Security Code”); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the “Labour Codes”) which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has postponed the enactment of the respective Labour Codes, and they shall come into force from such dates as may be notified. It is possible that different provisions within the Labour Codes may come into effect at various times. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, their introduction could potentially increase our company's financial obligations, negatively affecting our profit margins. We have not yet fully assessed the impact that these or similar laws might have on our business operations, which could potentially limit our ability to expand in the future. For instance, the Social Security Code is designed to standardise social security benefits for employees, which were previously divided under various acts with differing scopes and coverage. Additionally, the Wages Code restricts the portion of wages that can be excluded from calculations for employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the total wages paid to employees. The enforcement of these laws could lead to higher employee and labour costs, which in turn could have a detrimental effect on our operational results, cash flow, business, and overall financial health.

**55. Certain key performance indicators for certain listed industry peers included in this Draft Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.**

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “*Basis for Offer Price*” on page 105 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

**56. Significant differences exist between Indian GAAP and other accounting principles, such as Ind AS, IFRS and U.S. GAAP, which may be material to investors’ assessments of our financial condition, result of operations and cash flows.**

Our restated summary statements of assets and liabilities, restated summary statements of profit and loss and cash flows for the Fiscals 2025, 2024 & 2023 have been prepared in accordance with the Indian GAAP. 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 Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. Ind AS, US GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Red Herring Prospectus 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 Draft Red Herring Prospectus should accordingly be limited.

**57. We may be subject to surveillance measures, such as the Additional Surveillance Measures (ASM) and the Graded Surveillance Measures (GSM) by the Stock Exchanges which may adversely affect trading price of our Equity Shares.**

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are subject to such pre-emptive surveillance measures implemented by the Stock Exchange, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting

trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

## **OFFER RELATED RISK FACTORS**

**58. Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Offer. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.**

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer Price of the Equity Shares will be determined by our Company by the Book Building Method and is based on a numerous factor. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**59. Investors 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. Any gain realized in excess of ₹1,25,000/- on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates in case STT was paid on the sale transaction. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("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. 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.

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

Under the Companies Act, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

**62. There is no guarantee that our Equity Shares will be listed in a timely manner or at all.**

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on stock exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**63. The requirements of being a listed company may strain our resources.**

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and limited reviewed half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

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

**64. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and any sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.**

We may be required to finance our growth, whether organic or inorganic, through future equity issues. Any future equity issuances by us, including a primary Issue, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options, if any, issued by us in future sales of the Equity Shares by any of our major shareholders or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through issuance of the Equity Shares or incurring additional debt.

There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. There can also be no assurance that any substantial shareholder, including our Promoter will not dispose of, encumber, or pledge their Shares.

**EXTERNAL RISK FACTORS**

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recent developments in the ongoing

conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Further to the above, the recent tariff war and imposition by the United States on India and other countries may also adversely affect commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions, where some of our revenue from operations is generated. 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 products may be adversely affected by an economic downturn in domestic and regional economies. Economic growth in the countries in which we operate 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. 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.

**67. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.**

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or states to who we sell our products could have a negative effect on us. Further, the ongoing Russia-Ukraine conflict may also have adverse impact on our supply chain. However, the long-term risks associated with the conflict is not clear as of the date of this Draft Red Herring Prospectus. 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 price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

**68. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.**

The Government of India may implement new laws or other regulations that could affect the health care industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. If any adverse development



in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

**69. We are exposed to risks associated with fluctuation in metal prices or shortages in supply of electric components.**

Our manufacturing activities depend on fluctuation in metal prices, being one of the important raw materials and supply of electric components. Changes in macroeconomic conditions generally impact these industries and could negatively impact our business or profitability. Accordingly, our business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Changes in government policies that may have adverse effect on the development associated industries, may have an adverse impact on our business.

**70. A downgrade in ratings of India, may affect the trading price of the Equity Shares.**

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. 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 the Equity Shares.

**71. Political changes could adversely affect economic conditions in India.**

Our Company is incorporated in India and derives the majority of its revenue from operations in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

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

**72. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.**

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 wages, costs of rent 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 adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products 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, there can be no assurance that Indian inflation levels will not worsen in the future.

**73. A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian Law**

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

**74. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLM or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.**

Our Company is a company incorporated under the laws of India and a majority of our Directors are located in India. A majority of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("CPC"). India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Our ability to raise foreign capital may be constrained by Indian law which provides investment restrictions on foreign investors, which may adversely affect the trading price of the Equity Shares. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at

all. In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change involve certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

## SECTION IV

### THE OFFER

PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS	
Particulars	Details of Equity Shares
<b>Equity Shares Offered through Public Offer</b> <sup>(1) (2)</sup>	Up to 60,90,000 Equity Shares, of face value of ₹ 10.00/- each fully paid up for cash at price at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per Equity Share aggregating to ₹ [●] Lakhs
<i>Consisting of:</i>	
<b>Fresh Issue of Equity Shares by our Company</b>	Up to 50,90,000 Equity Shares, of face value of ₹ 10.00/- each for cash at a Price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs
<b>Offer for Sale by our Promoter Selling Shareholders</b> <sup>(6)</sup>	Offer for sale by existing shareholders of up to 10,00,000 Equity Shares, of face value of ₹ 10.00/- each at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<i>of which:</i>	
(i) Reserved for Market Maker	Up to [●] Equity Shares, of face value of ₹ 10.00/- each at price of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs
(ii) Net Offer to the Public <sup>(3)</sup>	[●] Equity Shares, aggregating of face value of ₹ 10.00/- each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs
<b>The Fresh Offer comprises of:</b>	
A) QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
<i>of which:*</i>	
Anchor Investor Portion <sup>(5)</sup>	Up to [●] Equity Shares having face value of ₹10.00/- each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
Net QIB Portion	Up to [●] Equity Shares having face value of ₹10.00/- each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
<i>of which:</i>	
Mutual Fund Portion (5% of the Net QIB Portion)	Up to [●] Equity Shares having face value of ₹10.00/- each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
<b>B) Non-Institutional Portion</b> <sup>(4)</sup>	Not less than [●] Equity Shares of ₹ 10.00/- each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>C) Individual Investor's Portion</b>	Not less than [●] Equity Shares having face value of ₹10.00/- each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Pre – Offer and Post – Offer Equity Capital of our Company</b>	
Equity Shares outstanding prior to the Offer	1,74,69,408 Equity Shares of ₹ 10 each aggregating to ₹ 1746.94 lakhs
Equity Shares outstanding after the Offer	Upto [●] Equity Shares of ₹ 10 each aggregating to ₹ [●] lakhs
<b>Use of Net Offer Proceeds</b>	For details of the use of proceeds from the Fresh Offer, see “ <i>Objects of the Offer</i> ” on page 90 of this Draft Red Herring Prospectus

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

#### Notes:

- (1) The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – offer paid up equity share capital of our company are being offered to the public for subscription.
- (2) The Fresh Offer has been authorized by a resolution of our Board dated August 29, 2025 and by a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated September 3, 2025 under the applicable provisions of the Companies Act, 2013.

*The Promoter Selling Shareholders have consented to participate in the Offer for Sale in the following manner:*

<b>Name of the Promoter Selling Shareholder</b>	<b>Type</b>	<b>Consent letter dated</b>	<b>Number of Equity Shares held</b>	<b>% of the Pre-Offer Paid-up Equity Share Capital</b>	<b>Number of Equity Shares Offered by way of Offer for Sale</b>	<b>OFS shares as a % of Pre-Offer Paid-up Capital</b>
Anantharamaiah Panish	Promoter	September 15, 2025	44,41,580	25.42	2,50,000	1.43%
K N Sreenath	Promoter	September 15, 2025	44,41,580	25.42	2,50,000	1.43%
Gururaj Dambal	Promoter	September 15, 2025	44,41,580	25.42	2,50,000	1.43%
S Vinod Kumar	Promoter	September 15, 2025	41,44,580	23.72	2,50,000	1.43%

*The Promoter Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholders have also confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.*

- (3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e., not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Individual Investors and not less than 15% of the Net Offer shall be available for allocation to non-institutional bidders.*
- (4) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Non-Institutional Individual Investor shall not be less than the minimum application size, and subject to availability of Equity Shares in the Non-Individual Investor, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*
- (5) The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the offer of securities to the public through the Book Building Process, which states that not less than 35% of the Net Offer shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Offer shall be allotted to QIBs, subject to valid Bids being received at or above the Offer Price.*
- (6) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- (7) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including*

*Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*

- (8) *SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and subject to the availability of shares in non-institutional investors' category, the allotment to Non- Institutional Investors shall be more than two lots which shall not be less than the minimum application size in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Further, SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual Investors applying in initial public offerings opening on or after May 1, 2022, where the Bid amount is up to ₹ 5,00,000 shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*
- (9) *The Equity Shares being offered by the Promoter Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 275.*

*For further details, please refer section titled "Offer Procedure" on page 308 of this Draft Red Herring Prospectus.*

# SUMMARY OF RESTATED FINANCIAL INFORMATION

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Note No.	As at		
		March 31, 2025	March 31, 2024	March 31, 2023
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Fund</b>				
(a) Share Capital	1	79.41	79.41	79.41
(b) Reserves and Surplus	1A	2,100.59	1,269.37	866.96
<b>Non-Current Liabilities</b>				
(a) Long-Term Borrowings	2	126.16	291.55	237.09
<b>Current Liabilities</b>				
(a) Short-Term Borrowings	2	442.35	635.75	496.10
(b) Trade Payables	3			
(A) Total outstanding dues of micor enterprises and small enterprises		266.62	353.37	125.20
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		660.55	322.92	450.45
(c) Current Liabilities	4	463.50	317.71	334.13
(d) Short-Term Provisions	5	803.93	537.35	262.70
<b>TOTAL</b>		<b>4,942.12</b>	<b>3,807.43</b>	<b>2,852.04</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant, Equipment & Intangible Assets	6			
(A) Property, Plant and Equipment		317.26	369.66	198.00
(B) Intangible Assets		9.42	9.19	2.82
(b) Deferred Tax Assets (net)	7	7.39	5.15	24.82
(c) Other Non-Current Assets	8	32.80	64.80	29.80
<b>Current Assets</b>				
(a) Inventories	9	1,470.95	1,193.31	770.29
(b) Trade Receivables	10	2,119.08	1,483.64	1,115.56
(c) Cash and Cash Equivalents	11	530.71	378.33	310.14
(d) Short-Term Loans and Advances	12	358.15	246.17	360.08
(e) Other Current Assets	13	96.35	57.17	40.53
<b>TOTAL</b>		<b>4,942.12</b>	<b>3,807.43</b>	<b>2,852.04</b>

# RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No.	For the Fiscal Year Ended on		
		March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	14	6,148.58	5,298.77	2,840.65
Other Income	15	144.81	26.80	17.86
<b>Total Income</b>		<b>6,293.39</b>	<b>5,325.57</b>	<b>2,858.51</b>
<b>Expenses</b>				
Cost of Materials Consumed	16	3,311.35	3,262.81	1,842.12
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	17	(102.06)	(19.03)	(217.61)
Employee Benefit Expenses	18	886.46	588.70	477.37
Finance Cost	19	91.25	111.19	80.29
Depreciation and Amortization Expenses	6 & 21	75.63	35.00	12.16
Other Expenses	20	800.87	724.33	546.72
<b>Total Expenses</b>		<b>5,063.50</b>	<b>4,702.99</b>	<b>2,741.05</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
Exceptional Items		-	-	-
<b>Profit Before Extraordinary Items and Tax</b>		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
Extraordinary Items		-	-	-
<b>Profit Before Tax</b>		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
<b>Tax Expense</b>				
(1) Current Tax		325.70	163.95	31.10
(2) Current Tax relating to prior years		(0.82)	-	-
(3) Deferred Tax		(2.24)	19.67	(6.19)
<b>Prior Period Items</b>				
Gratuity and Leave encashment adjustment		76.02	36.55	0.26
<b>Profit for the year</b>		<b>831.23</b>	<b>402.41</b>	<b>92.29</b>
<b>Earnings per Equity Shares (EPS)</b>				
(1) Basic – Rs.	22	4.76	2.30	0.53
(2) Diluted – Rs.	22	4.76	2.30	0.53



# **RESTATED STATEMENT OF CASH FLOW STATEMENT**

(₹ in Lakhs)

Particulars	Note No.	For the Fiscal Year Ended on		
		March 31, 2025	March 31, 2024	March 31, 2023
(A) Cash Flow from Operating Activities:				
Profit before tax, Restated		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
<b>Adjustment for:</b>				
Depreciation/ Amortization Expenses		75.63	35.00	12.16
Prior Period Items		(76.02)	(36.55)	(0.26)
Finance Cost		91.25	111.19	80.29
Interest and Dividend Income		(29.21)	(24.62)	(16.37)
Operating (loss)/profit before working capital changes		<b>1,291.54</b>	<b>707.60</b>	<b>192.92</b>
<b><u>Movement in working capital</u></b>				
Decrease / (Increase) in Inventories		(277.64)	(423.02)	(229.27)
Decrease / (Increase) in Trade Receivable		(635.44)	(368.09)	(420.49)
Decrease / (Increase) in Other Current Assets		(39.18)	(16.64)	13.42
Increase / (Decrease) in Trade Payable		250.88	100.64	279.98
Increase / (Decrease) in Short Term Provision		265.58	274.66	82.85
Increase / (Decrease) in Current liabilities		145.79	(16.42)	79.95
<b>Cash generated from operations</b>		<b>1,001.53</b>	<b>258.73</b>	<b>(0.65)</b>
Provision for Taxation		(324.88)	(163.95)	(31.10)
<b>Net cashflow generated from/(utilised in) operating activities (A)</b>		<b>676.66</b>	<b>94.77</b>	<b>(31.75)</b>
<b>B. Cash flows from investing activities</b>				
Purchase of property, plant, and equipment (including intangibles assets)		(23.47)	(213.02)	(13.76)
Interest Income		29.21	24.62	16.73
Decrease / (Increase) in Short Term Loan and Advances		(111.98)	113.91	(122.29)
Decrease / (Increase) in Other Non Current Assets		32.00	(35.00)	-
<b>Net cash flow utilized in investing activities (B)</b>		<b>(74.24)</b>	<b>(109.50)</b>	<b>(119.32)</b>
<b>C. Cash flows from financing activities</b>				
Proceeds from Long Term Borrowings		(165.39)	54.46	232.08
(Increase)/decrease from Short Term Borrowings		(193.39)	139.65	79.66
Interest Paid		(91.25)	(111.19)	(80.29)
<b>Net cashflow generated from/(utilised in) financing activities(C)</b>		<b>(450.04)</b>	<b>82.92</b>	<b>231.46</b>
Net increase / (Decrease) in cash & cash equivalents (A + B + C)		152.38	68.19	80.39
Cash and cash equivalents at the beginning of the year		378.33	310.14	229.75
<b>Cash and Cash Equivalents at the end of the year</b>		<b>530.71</b>	<b>378.33</b>	<b>310.14</b>

## GENERAL INFORMATION

Our Company was incorporated as a Private Limited Company under the name and style of ‘Avana Electrosystems Private Limited’ under the Companies Act, 1956, pursuant to a Certificate of Incorporation dated July 16, 2010 issued by the Deputy Registrar of Companies, Bengaluru, Karnataka (RoC). Pursuant to a special resolution passed by our shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a Public Limited Company and the name of our Company was changed to ‘Avana Electrosystems Limited’ and a fresh Certificate of Incorporation dated December 17, 2024 has been issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is: U31400KA2010PLC054508.

### REGISTERED OFFICE OF OUR COMPANY

#### **Avana Electrosystems Limited**

No. 8, Plot No. 35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase,  
Peenya Industrial Area, Nelagadaranahalli Village  
Bengaluru – 560058  
Karnataka, India  
**Tel:** +91 80 4123 3386  
**Email:** [cs@avanaelectrosystems.com](mailto:cs@avanaelectrosystems.com)  
**Website:** [www.avanaelectrosystems.com](http://www.avanaelectrosystems.com)  
**Registration Number:** 054508

For further details and details of changes in the registered office of our company, please refer to the chapter titled “*History and Certain Corporate Matters*” on page 183 of this Draft Red Herring Prospectus.

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Bengaluru,**

'E' Wing, 2<sup>nd</sup> Floor, Kendriya Sadana,  
Kormangala, Bangalore-560034,  
Karnataka.  
**Website:** [www.mca.gov.in](http://www.mca.gov.in)  
**Email ID:** [roc.bangalore@mca.gov.in](mailto:roc.bangalore@mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### **EMERGE Platform of National Stock Exchange of India Ltd. (“NSE EMERGE”)**

Exchange Plaza, C/1, G Block, Bandra Kurla Complex,  
Bandra (E) Mumbai – 400051, Maharashtra, India  
**Tel. No.** 022 2659 8100/ 2659 8114  
**Website:** [www.nseindia.com](http://www.nseindia.com)

### BOARD OF DIRECTORS OF OUR COMPANY

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

Sr. No	Name of the Director	Designation	DIN	Address
1	Anantharamaiah Panish	Managing Director	00288112	#776, Flat No. T2, Thirumala Pride Apartments, 11 <sup>th</sup> Main Road, Vinayaka Layout, Nagarabhavi 2 <sup>nd</sup> Stage, Bangalore North, Nagarbhavi, Karnataka – 560072.
2	Gururaj Dambal	Whole Time Director	03099402	51/149, 5A Cross, Tunganagar, Syndicate Bank Layout, Bangalore North, Bengaluru, Viswanedam, Karnataka – 560091.
3	S Vinod Kumar	Whole Time Director	03115822	No.135, 3 <sup>rd</sup> Cross Road, Sapthagiri Residency, Muthurayana Nagara, Mysore Road, Kenchenahalli, Bangalore South, Rv Niketan, Karnataka – 560059.
4	K N Sreenath	Executive Director	03099421	No.676 Dhikshitharagalli, Magadi Town, VTC Magadi, Ramanagar, Karnataka, 562120.

Sr. No	Name of the Director	Designation	DIN	Address
5	Sheela Arvind	Independent Director	01020390	#29, Vedamangala, Ashtagrama Layout, Kamakshipalya Traffic Police Station, Kamakshipalya, Bangalore North, Karnataka – 560079.
6	Shital Darak Mandhana	Independent Director	07043909	I-2502, 25 <sup>th</sup> floor, Gate 1, Mantri Serenity, off Kanakapura Road, Near Doddakallasandra, Bengaluru, Karnataka – 560062.
7	Nama Sreeramaiah Kishore	Independent Director	11222235	377 2 <sup>nd</sup> Floor, 22 <sup>nd</sup> Main, Near Sriram Adithya Apartment, Arehalli AGS Layout, Bangalore South, Subramanyapura, Karnataka – 560061.

For further details of our directors, please refer to the chapter titled “Our Management” on page 188 of this Draft Red Herring Prospectus.

#### CHIEF FINANCIAL OFFICER

##### Ravi Kumar S

Site No: 8, Plot No. 35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase  
Peenya Industrial Area, Nelagadarahanahalli Village  
Bengaluru – 560058  
Tel: +91 9686024057  
Email: [cfo@avanaelectrosystems.com](mailto:cfo@avanaelectrosystems.com)

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

##### Amrutha Naveen

Site No: 8, Plot No. 35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase,  
Peenya Industrial Area, Nelagadarahanahalli Village  
Bengaluru – 560 058  
Karnataka, India  
Tel: +91 9686004816  
Email: [cs@avanaelectrosystems.com](mailto:cs@avanaelectrosystems.com).

#### INVESTOR GRIEVANCES

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

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder’s DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Offer with a copy to the relevant Sponsor Bank or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers

Centres, as the case may be, quoting the full name of the sole or first Applicant, Application Form number, address of the Bidder, Applicant's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Application was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Bid Amount was blocked.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

All grievances relating to Applications submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

#### **BOOK RUNNING LEAD MANAGER TO THE OFFER**

##### **Indcap Advisors Private Limited**

Suite 1201, 12<sup>th</sup> Floor, Aurora Waterfront, GN 34/1, Sector 5,  
Salt Lake City,  
Kolkata – 700091  
West Bengal, India  
**Tel:** +91 33 4069 8001  
**E-Mail:** [smeipo@indcap.in](mailto:smeipo@indcap.in)  
**Website:** <http://www.indcap.in/>  
**Investor grievance e-mail:** [investors@indcap.in](mailto:investors@indcap.in)  
**Contact Person:** Shraddha Khanna  
**SEBI Registration No.:** INM000013031

#### **LEGAL ADVISOR TO THE OFFER**

##### **Juris Matrix Partners LLP**

Advocates and Solicitors  
3<sup>rd</sup> Floor, 302 Apeejay House  
130, Mumbai Samachar Marg  
Fort, Mumbai 400 001  
Maharashtra, India  
**Tel:** +91 22 35943230  
**Email:** [anil@jurismatrix.net](mailto:anil@jurismatrix.net)  
**Website:** [www.jurismatrix.net](http://www.jurismatrix.net)  
**Contact Person:** Anil Shah

#### **STATUTORY AND PEER REVIEWED AUDITOR**

##### **M/s Vasanth & Co**

Chartered Accountants  
**Address:** No 12 & 13, First Floor,  
South End Road, Near Surana College  
Basavanagudi  
Bengaluru – 560004  
**Contact Person:** N Amarnath  
**Email Id:** [vasanth@vaco-ca.com](mailto:vasanth@vaco-ca.com)  
**Tel. No.:** +91 99860 35894  
**Membership No:** 510064  
**Firm Registration No:** 008204S  
**Peer Review Number:** 015792\*

*\*Peer Reviewed Certificate is valid till August 31, 2026.*

#### **CHANGES IN AUDITORS**

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

## REGISTRAR TO THE OFFER

### Integrated Registry Management Services Private Limited

No 30 Ramana Residency,  
4<sup>th</sup> Cross Sampige Road  
Malleswaram,  
Bengaluru - 560 003  
Karnataka, India

**Contact Person:** S Giridhar

**Email ID:** [smeipo@integratedindia.in](mailto:smeipo@integratedindia.in)

**Investor Grievance Email:** [giri@integratedindia.in](mailto:giri@integratedindia.in)

**Tel No:** 080 23460815/816/817/818

**SEBI Registration:** INR000000544

**Website:** [www.integratedregistry.in](http://www.integratedregistry.in)

**CIN:** U74900TN2015PTC101466

## BANKERS TO THE COMPANY

### HDFC Bank Limited

HDFC Bank House, 2<sup>nd</sup> Floor Nrupatunga Road, Bangalore - 560001

**Tel:** +91 8951606255

**Email:** [morumpaili.mahendra@hdfcbank.com](mailto:morumpaili.mahendra@hdfcbank.com)

**Contact Person:** Morumpalli Mahendra

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

**CIN:** L65920MH1994PLC080618

## BANKER TO THE OFFER / REFUND BANK / SPONSOR BANK

[•]\*

## SYNDICATE MEMBERS

[•]\*

*\* The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus.*

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

The Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus shall be filed with EMERGE platform of NSE Limited, located at G Block BKC, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051.

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

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

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 and copy of the Prospectus to be filed under 26 of the Companies Act, 2013 would be filed with the RoC through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Applicant (other than a RII using the UPI Mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms, is available at <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures> or at such other websites as may be prescribed by SEBI from time to time.

### **SCSBs eligible as Issuer Banks for UPI Mechanism and eligible mobile applications**

The list of SCSBs through which Applications can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI, and may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website.

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is provided in the list available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at [www.sebi.gov.in](http://www.sebi.gov.in).

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicants can submit the ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centers.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at <https://www.bseindia.com> and <https://www.nseindia.com>, respectively.

### **Registrar to Offer and Share Transfer Agent (“RTA”)**

The list of the CRTA eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registrar and Share Transfer Agent, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time.

### **Collecting Depository Participants (“CDP”)**

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms through Collecting RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of Collecting RTAs, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

#### **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Indcap Advisors Private Limited is the sole Book Running Lead Manager to this Offer, and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them, hence a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

#### **CREDIT RATING**

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

#### **DEBENTURE TRUSTEE**

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

#### **IPO GRADING**

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

#### **EXPERT OPINION**

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

Our Company has received written consent dated September 20, 2025 from M/s Vasanth & Co, Chartered Accountants, the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'Expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) their examination report dated September 19, 2025 on the Restated Financial Information; (iii) their report dated September 20, 2025 on the Statement of possible Special Tax Benefits included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 13, 2025 from the Chartered Engineer namely, M/s. Souparnika Associates to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect to their (1) Certificate dated September 13, 2025.

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

#### **BOOK BUILDING PROCESS**

Book Building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Draft Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band will be decided by our Company, in consultation with the BRLM, and if not disclosed in this Draft Red Herring Prospectus, will be advertised in all editions of [●], an English national daily newspaper, all editions of [●] a Hindi national daily newspaper and all editions of [●], a Kannada newspaper, Kannada being the regional language of Karnataka where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the BRLM after the Bid/ Offer Closing Date. For details, see "Offer Procedure" on page 308 of this Draft Red Herring Prospectus.

All investors shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. UPI Bidders shall participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any state. Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Allocation to QIBs and Non-Institutional Bidders will be on a proportionate basis. For illustration of the Book Building Process and further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 291 and 308, respectively, of this Draft Red Herring Prospectus.

**The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.**

**Bidders should note that the Offer is also subject to (i) filing of the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals from the Stock Exchange, which our Company shall apply for after Allotment within two Working Days of the Bid/ Offer Closing Date or such other time as prescribed under applicable law.**

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 301 and 308 respectively of this Draft Red Herring Prospectus.

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

- Check eligibility for making a Bid (see section titled "*Offer Procedure*" on page 308 of this Draft Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### **Bid/Offer Program:**

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

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

#### **APPRAISING ENTITY**



No appraising entity has been appointed in respect of any of the Objects of the Offer.

## MONITORING AGENCY

The Offer size excluding the Offer for Sale does not exceed ₹5,000 lakhs. Hence, our Company is not required to appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Prospectus. For further details in relation to the proposed utilization of the Net Proceeds, see “*Objects of the Offer*” on page 90 of this Draft Red Herring Prospectus. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer. Further, our Company has not appointed any appraisal agency for this Offer.

## FILING OF THE DRAFT RED HERRING PROSPECTUS

The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed with with National Stock Exchange Board of India Limited at Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

The Draft Red Herring Prospectus filed with NSE will be made public for comments, if any, for a period of at least twenty-one days from the date of filing the Draft Red Herring Prospectus, by hosting it on our Company’s website <https://www.avanaelectrosystems.com>, NSE’s website <https://www.nseindia.com> and Book Running Lead Managers’ website <https://www.indcap.in>.

Our Company shall, within two working days of filing the Draft Red Herring Prospectus with NSE EMERGE, make a public announcement in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of the [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), disclosing the fact of filing of the Draft Red Herring Prospectus with NSE EMERGE and inviting the public to provide their comments to the NSE EMERGE, our Company or the Book Running Lead Manager in respect of the disclosures made in this Draft Red Herring Prospectus.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Offer document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus/Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Bengaluru, Karnataka at E Wing, 2<sup>nd</sup> Floor, Kendriya Sadana, Santhosapuram, Kudremukh Colony, Koramangala, Bengaluru – 560034, Karnataka, India at least (3) three working days prior from the date of opening of the Offer.

## TYPE OF OFER

The present Offer is considered to be 100% Book Built Offer.

## GREEN SHOE OPTION

No green shoe option is contemplated under the Offer.

## MARKET MAKER

[●]

## DETAILS OF THE MARKET MAKING AGREEMENT

Our Company and the BRLM have entered into a Market Making Agreement dated [●] with the following Market Maker, to fulfil the Market Making obligations under this Offer:

<b>Name</b>	[●]
<b>Correspondence Address</b>	
<b>Tel No.</b>	
<b>E-mail</b>	
<b>Website</b>	

<b>Contact Person</b>	
<b>SEBI Registration No.</b>	
<b>Market Maker Registration No.</b>	

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Offer.

[●], registered with NSE EMERGE, the SME platform of NSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with the holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that script provided that he sells his/ her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of Market Maker in our Company reduce to 24%, the Market Maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE EMERGE from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on the NSE EMERGE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
13. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
14. In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing

the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

15. Risk containment measures and monitoring for Market Maker: NSE EMERGE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
16. Punitive Action in case of default by Market Maker: NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
17. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
18. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to ₹250 Crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

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

19. The following spread will be applicable on the NSE EMERGE:

Sr. No.	Market Price Slab (in ₹)	Proposed Spread (in % of sales Price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	7
4	Above 100	6

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

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

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

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

## UNDERWRITING AGREEMENT

This Offer is 100% Underwritten by [●] in the capacity of Underwriter to the Offer. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Offer.

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of	Amount Underwritten (₹ in Lakhs)	% of the total Offer size Underwritten
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	Equity Shares to be Underwritten		
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

*The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Finalisation of Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.*

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Offer has been 100% underwritten and shall not restrict to the minimum subscription level. Our Company shall ensure that the Book Running Lead Manager to the Offer has underwritten at least 15% of the total Offer Size.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI as merchant bankers with SEBI or as brokers with the Stock Exchange(s).

#### **WITHDRAWAL OF THE OFFER**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time after the Offer Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the Pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and Sponsor Bank (in case of Applicants using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals from NSE EMERGE, which our Company shall apply for after Allotment. If our Company / withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## CAPITAL STRUCTURE

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

(₹ In Lakh except the share data)

Particulars		Aggregate Value at Face value	Aggregate Value at Offer Price <sup>(1)</sup>
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,50,00,000 Equity Shares of ₹ 10/- each	2,500.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER<sup>(2)</sup></b>		
	1,74,69,408 Equity shares having a face value of ₹ 10/- each	1,746.94	-
<b>C.</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS<sup>(3)</sup></b>		
	Offer of up to 60,90,000 Equity Shares of face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share)	[●]	[●]
	<i>Which comprises</i>		
	Fresh Issue of up to 50,90,000 Equity Shares of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] by our Company.		
	Offer for Sale by the Promoter Selling Shareholders of up to 10,00,000 Equity Shares of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] by our Promoter Selling Shareholders.		
<b>D.</b>	<b>RESERVATION FOR MARKET MAKER PORTION</b>		
	[●] Equity Shares of face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share including premium of ₹ [●] per Equity Share	[●]	[●]
<b>E.</b>	<b>NET OFFER TO PUBLIC</b>		
	Up to [●] Equity Shares of face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share to the public	[●]	[●]
<b>F.</b>	<b>Of which <sup>(2)</sup></b>		
	<u>Allocation to Qualified Institutional Buyers:</u> Not more than [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers of which 5% will be allocated to Mutual Funds	[●]	[●]
	<u>Allocation to Non-Institutional Investors:</u> Not Less than [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	<u>Allocation to Individual Investors</u> Not Less than [●] Equity Shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity Share will be available for allocation to Individual Investors	[●]	[●]
<b>G.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE OFFER</b>		
	Up to [●] Equity Shares of having a face value of ₹ 10/- each	[●]	[●]
<b>H.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		NIL
	After the Offer		[●]

<sup>(1)</sup> To be finalized upon determination of Offer Price.

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

<sup>(3)</sup> The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 29, 2025 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting held on September 3, 2025.

<sup>(4)</sup> The Equity Shares being offered by each of the Promoter Selling Shareholders are eligible to be offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Each of the Promoter Selling Shareholder has, severally

and not jointly, consented to the sale of their respective portion of the Offered Shares in the Offer for Sale. For further details on the authorizations of the Promoter Selling Shareholders in relation to the Offered Shares, see the sections titled “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 58 and 275 respectively.

- (5) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Size. Under subscription, if any, in any of the categories, except in the QIB Category, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

For detailed information on the Net Offer and its allocation various categories, please see “The Offer” on Page No. 58 of this Draft Red Herring Prospectus.

## CLASS OF SHARES

As on the date of Draft Red Herring Prospectus, our Company has only one class of share capital i.e., Equity Shares of Face Value ₹10/- each. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

### 1. CHANGES IN AUTHORISED SHARE CAPITAL

The Authorised Capital has been altered in the following manner since incorporation:

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital (₹ in Lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On Incorporation*	2,00,000	10.00	20.00	Not Applicable	Not Applicable
2.	Increase in Authorized Share Capital from ₹ 20.00 lakhs to ₹ 70.00 lakhs	7,00,000	10.00	70.00	July 30, 2011	EGM
3.	Increase in Authorized Share Capital from ₹ 70.00 lakhs to ₹ 90.00 lakhs	9,00,000	10.00	90.00	May 03, 2012	EGM
4.	Increase in Authorized Share Capital from ₹ 90.00 lakhs to ₹ 2,500.00 lakhs	2,50,00,000	10.00	2,500.00	November 11, 2024	EGM

\* The date of incorporation of the Company is July 16, 2010.

## 2. HISTORY OF ISSUED & PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY:

Date of Allotment	No. of Equity Shares Allotted	Face Value (in ₹)	Issue Price/ Buyback Price (in ₹)	Nature of consideration	Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Capital (₹ in Lakhs)
On Incorporation *	1,80,000	10	10	Cash	Subscription to MoA <sup>(i)</sup>	1,80,000	18.00
March 30, 2011	20,000	10	10	Cash	Right Issue <sup>(ii)</sup>	2,00,000	20.00
September 30, 2011	2,00,000	10	-	Other than Cash	Bonus Issue (in the ratio of 1:1 i.e. 1 new bonus share of ₹ 10/- each for every 1 (one) existing fully paid equity share of ₹ 10/- each) <sup>(iii)</sup>	4,00,000	40.00
May 05, 2012	4,80,000	10	10	Cash	Right Issue <sup>(iv)</sup>	8,80,000	88.00
September 25, 2020	(85,936)	10	115.59	Cash	Buy-Back of Shares <sup>(v)</sup>	7,94,064	79.41
August 19, 2025	1,66,75,344	10	Nil	Other than Cash	Bonus Issue (in the ratio of 21:1 i.e. 21 new bonus shares of ₹ 10/- each for every 1 (one) existing fully paid equity share of ₹ 10/- each) <sup>(vi)</sup>	1,74,69,408	1,746.94

\* The date of incorporation of the Company is July 16, 2010.

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

Sr. No.	Name of Person	No. of shares Subscribed
1.	Anantharamaiah Panish	30,000
2.	Gururaj Dambal	30,000
3.	S Vinod Kumar	20,000
4.	K N Sreenath	30,000
5.	Sajeev Kumar Nalawar	20,000
6.	Shanmugaraj Ramaraj	20,000
7.	Chandrasena Kudur Srinivasa Rao	30,000
	<b>Total</b>	<b>1,80,000</b>

### ii. Right Issue of 20,000 shares on March 30, 2011 of face value of ₹10.00 each at a price of ₹ 10.00 per Equity Share as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	S Vinod Kumar	3,250
2.	Sajeev Kumar Nalawar	3,500
3.	Shanmugaraj Ramaraj	3,250
4.	L. Manjunath	10,000
	<b>Total</b>	<b>20,000</b>

- iii. *Bonus Issue of 2,00,000 fully paid-up equity shares on September 30, 2011 of face value of ₹10.00 each in the ratio of 1:1 (one new bonus share for every one existing equity share held) as per the details given below:*

Sr. No.	Name of Person	No. of shares Allotted
1.	Anantharamaiah Panish	30,000
2.	Gururaj Dambal	30,000
3.	S Vinod Kumar	23,250
4.	K N Sreenath	30,000
5.	Sajeev Kumar Nalawar	23,500
6.	Shanmugaraj Ramaraj	23,250
7.	Chandrasena Kudur Srinivasa Rao	30,000
8.	L Manjunath	10,000
	<b>Total</b>	<b>2,00,000</b>

- iv. *Right Issue of 4,80,000 shares on May 05, 2012 of face value of ₹10.00 each at a price of ₹10.00 each as per the details given below:*

Sr. No.	Name of Person	No. of shares Allotted
1.	Anantharamaiah Panish	80,000
2.	Gururaj Dambal	80,000
3.	S Vinod Kumar	80,000
4.	K N Sreenath	80,000
5.	Shanmugaraj Ramaraj	80,000
6.	Chandrasena Kudur Srinivasa Rao	80,000
	<b>Total</b>	<b>4,80,000</b>

- v. *The Buyback of 85,936 Equity Shares of Face Value of Rs. 10.00 each, representing 9.765% of the Paid-up Share Capital of the Company was approved pursuant to a resolution passed by the Board of Directors in their meeting held on September 25, 2020 at a Buyback Price of Rs. 115.59 per share (including a tax amount of Rs. 21.84) as under:*

Sr. No.	Name of Person	No. of shares Allotted
1.	Chandrasena Kudur Srinivasa Rao *	85,936

*\*Mr. Chandrasena Kudur Srinivasa Rao is one of the subscribers to the Memorandum of Association and Articles of Association to the Company. Pursuant to the buyback and thereafter transfer of shares, Mr. Chandrasena Kudur Srinivasa Rao ceased to be a shareholder in the Company. As on the date of this Draft Red Herring Prospectus, Mr. Chandrasena Kudur Srinivasa Rao neither holds any directorship or any managerial position in the Company nor is he related to any of the promoters or the promoter group in any manner.*

- vi. *Bonus Issue of 1,66,75,344 fully paid-up equity shares on August 19, 2025 of face value of ₹10.00 each in the ratio of 21:1 (twenty-one new bonus shares for every one existing equity share held) as per the details given below:*

Sr. No.	Name of Person	No. of shares Allotted
1.	Anantharamaiah Panish	42,39,690
2.	Gururaj Dambal	42,39,690
3.	S Vinod Kumar	39,56,190
4.	K N Sreenath	42,39,690
5.	Usha G	21
6.	Rama Subramanyam	21
7.	Nithya M	21
8.	Smita Dambal	21
	<b>Total</b>	<b>1,66,75,344</b>

3. Our Company has not issued any preference shares since incorporation.

4. **Details of Allotment made in the last two years preceding the date of Draft Red Herring Prospectus**



Except as mentioned in point number 2 (vi) above, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.

#### 5. Shares issued for consideration other than cash or out of revaluation reserves or by way of a bonus issue

Our Company has not issued any Equity Shares for consideration other than cash or out of revaluation reserves or by way of bonus issue except as mentioned below-

Date of Allotment	Nature of allotment	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of consideration	Reasons for allotment	Benefits accrued to our Company
September 30, 2011	Bonus Issue (in the ratio of 1:1 i.e. 1 new bonus share of ₹ 10/- each for every 1 (one) existing fully paid equity share of ₹ 10/- each)	2,00,000	10	Not applicable	Other than cash	Bonus Issue	Capitalisation of Reserves
August 19, 2025	Bonus Issue (in the ratio of 21:1 i.e. 21 new bonus shares of ₹ 10/- each for every 1 (one) existing fully paid equity share of ₹ 10/- each)	1,66,75,344	10	Not applicable	Other than cash	Bonus Issue	Capitalisation of Reserves

- Our Company has not issued or allotted any equity shares or preference shares pursuant to schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.
- Our Company does not have any Employee Stock Option Scheme as on the date of the Draft Red Herring Prospectus and has accordingly not issued any shares pursuant to an Employee Stock Option Scheme.
- Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except for bonus issue made on August 19, 2025, our Company has not issued Equity Shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus. (refer point no. 2(vi) above for allottees list)
- Our Company has bought back 85,936 equity shares under Section 68 of the Companies Act, 2013 read with The Companies (Share Capital and Debentures) Rules, 2014. (as disclosed in point no. 2(v) above)

#### 9. Our Shareholding Pattern:

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

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

Category (I)	Category of Shareholder (II)	No. of Shareholders	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+C 2)	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	8	1,74,69,408	-	-	1,74,69,408	100	1,74,69,408	1,74,69,408	100	-	-	-	-	-	-	1,74,69,408
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>1,74,69,408</b>	<b>0</b>	<b>0</b>	<b>1,74,69,408</b>	<b>100</b>	<b>1,74,69,408</b>	<b>1,74,69,408</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,74,69,408</b>

**Note:**

1. As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote
2. We have only one class of Equity Shares of face value of ₹ 10/- each.
3. In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, the Equity Shares held by the Promoters are dematerialized.

**10. Other details of Shareholding of our Company:**

- a) As on the date of filing of this Draft Red Herring Prospectus, our Company has 8 Equity Shareholders, who collectively hold 1,74,69,408 Equity Shares of ₹ 10/- each, equivalent to 100% of the issued, subscribed and paid-up equity share capital of our Company.

Sl. No	Name of the Shareholders	No. of Shares	Percentage (%) of Shares
1	Anantharamaiah Panish	44,41,580	25.42
2	Gururaj Dambal	44,41,580	25.42
3	S Vinod Kumar	41,44,580	23.72
4	K N Sreenath	44,41,580	25.42
5	Usha G	22	0.0001
6	Rama Subramanyam	22	0.0001
7	Smita Dambal	22	0.0001
8	Nithya M	22	0.0001
<b>Total</b>		<b>1,74,69,408</b>	<b>100.00%</b>

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

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

- a) **The list of Shareholders holding 1% or more of the paid-up Equity share capital of our Company, as on the date of filing of this Draft Red Herring Prospectus:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	% of the pre-Offer Equity Share Capital*
1.	Anantharamaiah Panish	44,41,580	25.42
2.	Gururaj Dambal	44,41,580	25.42
3.	S Vinod Kumar	41,44,580	23.72
4.	K N Sreenath	44,41,580	25.42
	<b>Total</b>	<b>1,74,69,320</b>	<b>100.00<sup>#</sup></b>

<sup>#</sup>88 equity shares held by 4 shareholders which is negligible.

\*Rounded Off

Notes: Details as on September 24, 2025 being the date of this DRHP.

- b) **The list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	% of the pre-Offer Equity Share Capital*
1.	Anantharamaiah Panish	44,41,580	25.42
2.	Gururaj Dambal	44,41,580	25.42
3.	S Vinod Kumar	41,44,580	23.72
4.	K N Sreenath	44,41,580	25.42
	<b>Total</b>	<b>1,74,69,320</b>	<b>100.00<sup>#</sup></b>

<sup>#</sup>88 equity shares held by 4 shareholders which is negligible.

\*Rounded Off

Notes: Details as on September 14, 2025 being the date ten days prior to the date of this DRHP.

- c) **The list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of one year prior to the date of filing of this Draft Red Herring Prospectus:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	% of the pre-Offer Equity Share Capital*
1.	Anantharamaiah Panish	2,01,891	25.425
2.	Gururaj Dambal	2,01,891	25.425
3.	S Vinod Kumar	1,88,391	23.725
4.	K N Sreenath	2,01,891	25.425
	<b>Total</b>	<b>7,94,064</b>	<b>100.00</b>

\*Rounded Off

Notes: Details as on September 24, 2024 being the date one year prior to the date of this DRHP.

**d) The list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of 2 years prior to the date of filing of this Draft Red Herring Prospectus:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	% of the pre-Offer Equity Share Capital*
1.	Anantharamaiah Panish	2,01,891	25.42
2.	Gururaj Dambal	2,01,891	25.42
3.	S Vinod Kumar	1,88,391	23.72
4.	K N Sreenath	2,01,891	25.42
	<b>Total</b>	<b>794,064</b>	<b>100.00</b>

\*Rounded Off

Notes: Details as on September 24, 2023 being the date two years prior to the date of this DRHP.

**e) Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel:**

The shareholding of our directors or Key Managerial Personnel or Senior Management Personnel as on the date of this Draft Red Herring Prospectus is as under:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% of the pre-Offer Equity Share Capital*
1.	Anantharamaiah Panish	44,41,580	25.42
2.	Gururaj Dambal	44,41,580	25.42
3.	S Vinod Kumar	41,44,580	23.72
4.	K N Sreenath	44,41,580	25.42
	<b>Total</b>	<b>1,74,69,320</b>	<b>100.00<sup>#</sup></b>

<sup>#</sup>88 equity shares held by 4 shareholders which is negligible.

\*Rounded Off

Notes: Details as on September 24, 2025 being the date of this DRHP.

**12. Capital Build-up in respect of Shareholding of our Promoters**

- (a) As on the date of this Draft Red Herring Prospectus, our promoters hold 1,74,69,320 equity shares equivalent to 100% (approx.) of the issued, subscribed and paid-up equity share capital of our Company.
- (b) The build-up of the equity shareholding of our Promoters and Promoter Group since incorporation of our Company is set forth in the table below:

**ANANTHARAMAIAH PANISH**

Nature of Transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	Number of Equity Shares	Face Value per Share	Issue Price / Transfer Price per Equity Share	% of Pre-Offer Paid up Capital	% to the Post Offer Paid Up Capital
Subscriber to the Memorandum	July 16, 2010	30,000	10.00	10.00	0.17	[●]
Bonus Issue	September 30, 2011	30,000	10.00	Nil	0.17	[●]
Right Issue	May 05, 2012	80,000	10.00	10.00	0.46	[●]
Transfer from Shanmugaraj Ramaraj	January 31, 2014	25,300	10.00	10.00	0.14	[●]
Transfer from Chandrasena Kudur	May 25, 2020	22,500	10.00	110.00	0.13	[●]
Transfer from Chandrasena Kudur	September 01, 2020	9,091	10.00	110.00	0.05	[●]

Nature of Transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	Number of Equity Shares	Face Value per Share	Issue Price / Transfer Price per Equity Share	% of Pre- Offer Paid up Capital	% to the Post Offer Paid Up Capital
Transfer from L Manjunath	June 03, 2023	5,000	10.00	10.00	0.03	[●]
Transfer to Rama Subramanyam by way of Gift	December 05, 2024	(1)	10.00	Nil	Negligible	[●]
Bonus Issue	August 19, 2025	42,39,690	10.00	Nil	24.27	[●]
<b>Total</b>		<b>44,41,580</b>			<b>25.42</b>	

#### GURURAJ DAMBAL

Nature of Transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	Number of Equity Shares	Face Value per Share	Issue Price / Transfer Price per Equity Share	% of Pre- Offer Paid up Capital	% to the Post Offer Paid Up Capital
Subscriber to the Memorandum	July 16, 2010	30,000	10.00	10.00	0.17	[●]
Bonus Issue	September 30, 2011	30,000	10.00	Nil	0.17	[●]
Right Issue	May 05, 2012	80,000	10.00	10.00	0.46	[●]
Transfer from Shanmugaraj Ramaraj	January 31, 2014	25,300	10.00	10.00	0.14	[●]
Transfer from Chandrasena Kudur	May 25, 2020	22,500	10.00	110.00	0.13	[●]
Transfer from Chandrasena Kudur	September 01, 2020	9,091	10.00	110.00	0.05	[●]
Transfer from L Manjunath	June 03, 2023	5,000	10.00	10.00	0.03	[●]
Transfer to Smita Dambal	December 05, 2024	(1)	10.00	Nil	Negligible	[●]
Bonus Issue	August 19, 2025	42,39,690	10.00	Nil	24.27	[●]
<b>Total</b>		<b>44,41,580</b>			<b>25.42</b>	

#### S VINODKUMAR

Nature of Transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	Number of Equity Shares	Face Value per Share	Issue Price / Transfer Price per Equity Share	% of Pre- Offer Paid up Capital	% to the Post Offer Paid Up Capital
Subscriber to the Memorandum	July 16, 2010	20,000	10.00	10.00	0.11	[●]
Right Issue	March 30, 2011	3,250	10.00	10.00	0.02	
Bonus Issue	September 30, 2011	23,250	10.00	Nil	0.13	[●]
Right Issue	May 05, 2012	80,000	10.00	10.00	0.46	[●]

Nature of Transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	Number of Equity Shares	Face Value per Share	Issue Price / Transfer Price per Equity Share	% of Pre-Offer Paid up Capital	% to the Post Offer Paid Up Capital
Transfer from Shanmugaraj Ramaraj	January 31, 2014	25,300	10.00	10.00	0.14	[●]
Transfer from Chandrasena Kudur	May 25, 2020	22500	10.00	10.00	0.13	[●]
Transfer from Chandrasena Kudur	September 01, 2020	9,091	10.00	10.00	0.05	[●]
Transfer from L Manjunath	June 03, 2023	5,000	10.00	10.00	0.03	[●]
Transfer to Nithya M by way of Gift	December 05, 2024	(1)	10.00	Nil	Negligible	[●]
Bonus Issue	August 19, 2025	39,56,190	10.00	Nil	22.65	[●]
<b>Total</b>		<b>41,44,580</b>			<b>23.72</b>	

#### K N SREENATH

Nature of Transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	Number of Equity Shares	Face Value per Share	Issue Price / Transfer Price per Equity Share	% of Pre-Offer Paid up Capital	% to the Post Offer Paid Up Capital
Subscriber to the Memorandum	July 16, 2010	30,000	10.00	10.00	0.17	[●]
Bonus Issue	September 30, 2011	30,000	10.00	-	0.17	[●]
Right Issue	May 05, 2012	80,000	10.00	10.00	0.46	[●]
Transfer from Shanmugaraj Ramaraj	January 31, 2014	25,300	10.00	10.00	0.14	[●]
Transfer from Chandrasena Kudur	May 25, 2020	22,500	10.00	110.00	0.13	[●]
Transfer from Chandrasena Kudur	September 01, 2020	9,091	10.00	110.00	0.05	[●]
Transfer from L Manjunath	June 03, 2023	5,000	10.00	10.00	0.03	[●]
Transfer to Usha G by way of Gift	December 05, 2024	(1)	10.00	Nil	Negligible	[●]
Bonus Issue	August 19, 2025	42,39,690	10.00	Nil	24.27	[●]
<b>Total</b>		<b>44,41,580</b>			<b>25.42</b>	

#### Notes:

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

**(c) Details of Shareholding of our Promoters, members of Promoter Group in our Company:**

The following is the Equity shareholding of our Promoter and Promoter Group as of the date of filing this Draft Red Herring Prospectus:

Sr. No.	Names	Pre-IPO		Post-IPO	
		Number of Shares held	% of Pre-Offer Paid up Capital	Number of Shares held	% to the Post Offer Paid Up Capital
Promoters (A)					
1	Anantharamaiah Panish	44,41,580	25.42	[●]	[●]
2	Gururaj Dambal	44,41,580	25.42	[●]	[●]
3	S Vinod Kumar	41,44,580	23.72	[●]	[●]
4	K N Sreenath	44,41,580	25.42	[●]	[●]
	Sub-Total (A)	1,74,69,320	100.00 <sup>#</sup>	[●]	[●]
Promoter Group (B)					
5	Usha G	22	Negligible	[●]	[●]
6	Rama Subramanyam	22	Negligible	[●]	[●]
7	Smitha Dambal	22	Negligible	[●]	[●]
8	Nithya M	22	Negligible	[●]	[●]
	Sub-Total (B)	88	Negligible	[●]	[●]
	Total	1,74,69,408	100.00	[●]	[●]

<sup>#</sup>88 equity shares held by 4 shareholders which is negligible

13. Our Promoters, members of the Promoter Group and directors have not sold or bought any shares during the last one year prior to the date of this Draft Red Herring Prospectus except for the transfer of 1 share each by K N Sreenath, Anantharamaiah Panish, Gururaj Dambal and S Vinodkumar to Usha G, Rama Subramanyam, Smitha Dambal and Nithya M on December 05, 2024 respectively by way of Gift.

**14. Promoters' Contribution and Lock-in**

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

- Our Promoter have given written consent to include such number of Equity Shares held by it as may constitute 20% of the post offer Equity Shares Capital of our Company as Promoters' Contribution. Our Promoter has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, from the date of filing this Draft Red Herring Prospectus until the expiry of the lock-in period as specified below or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- The Equity Shares which are being locked in for 3 years from the date of Allotment in this Offer as minimum Promoters' Contribution are as follows\*:

Date of Allotment / transfer of the Equity Shares	Nature of Transaction	Number of Equity Shares**	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-offer paid-up capital (%)	Percentage of the post-offer paid-up capital (%)	Lock-in Period
<b>Anantharamaiah Panish</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>TOTAL (A)</b>								
<b>Gururaj Dambal</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Date of Allotment / transfer of the Equity Shares	Nature of Transaction	Number of Equity Shares**	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-offer paid-up capital (%)	Percentage of the post-offer paid-up capital (%)	Lock-in Period
<b>TOTAL (B)</b>								
<b>S Vinodkumar</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>TOTAL (C)</b>								
<b>K N Sreenath</b>								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>TOTAL (D)</b>								

\*Details to be included in the prospectus

\*\* All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- c) The Minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoter's Contribution in terms of Regulation 237 of the SEBI ICDR Regulations. In this connection, we confirm the following:
- The Equity Shares offered for Promoter's Contribution have not been acquired in the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
  - The Minimum Promoter's Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;
  - No Equity shares have been issued to our promoter upon by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm;
  - The Equity Shares held by the Promoter and offered for minimum Promoter's contribution are not subject to any pledge.
  - All the Equity shares of our Company have been dematerialised-
  - Equity Shares for which specific written consent has been obtained from the respective shareholders has been included for inclusion of their subscription in the Promoter's Contribution subject to lock-in.
  - We further confirm that our Promoter's Contribution of minimum 20% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

#### 15. Details of Promoters' contribution in excess of minimum promoters' contribution:

Lock in of Equity Shares held by Promoters in excess of minimum promoters' contribution as per Regulation 238 of the SEBI ICDR Regulations, 2018 read with SEBI (ICDR) (Amendment) Regulations, 2025. Pursuant to Regulation 238(b) of the SEBI ICDR Regulations, 2018 read with SEBI (ICDR) (Amendment) Regulations, 2025, the Equity Shares held by our Promoter and promoters' holding in excess of minimum promoters' contribution shall be locked as follows:

- Fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer i.e. pre-offer of [●] Equity Shares shall be subject to lock-in; and
- Remaining fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer i.e. pre-offer of [●] Equity Shares shall be subject to lock-in.

#### 16. Details of share capital locked in for one (1) Year

The entire pre-offer capital held by persons other than the Promoters shall be locked-in for a period of 1 (one) year from



the date of Allotment i.e. 4 shares held by the members belonging to the promoter group.

***Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors***

Fifty percent of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

**17. Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 241 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

**18. Other requirements in respect of lock-in**

- a) Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or public financial institutions or a systematically important non-banking finance company or a housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institution or a NBFC-SI or a deposit accepting housing finance company, subject to the following:
    - i. if the equity shares are locked-in in terms of clause (a) of Regulation 238 of SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the offer and pledge of equity shares is one of the terms of sanction of the loan;
    - ii. if the specified securities are locked-in in terms of clause (b) of Regulation 238 of SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025 and the pledge of specified securities is one of the terms of sanction of the loan.
  - b) However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.
  - c) In terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in as per Regulation 238 may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.
  - d) Further, in terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of one year as per Regulation 239, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.
- 19.** Neither the Book Running Lead Manager nor their associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. None of the investors in the Company are related directly or indirectly to the BRLM or its Associates.
- 20.** The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 21.** There are no Equity Shares against which depository receipts have been issued.
- 22.** There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the Offer

appropriately in due compliance with the applicable statutory provisions.

23. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, directors of our Promoter, our Directors or their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.
24. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions being completed.
25. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Offer from any person.
26. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "*Offer Procedure*" on page 308 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
27. An over-subscription to the extent of 10% of the offer can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the offer, as a result of which, the post-offer paid up capital after the offer would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoter and subject to lock- in shall be suitably increased; to ensure that a minimum of 20% of the post offer paid-up capital is locked in.
28. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus. Further, since the entire offer price in respect of the Offer is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this offered shall be fully paid-up.
30. Our Company confirms that is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of this Draft Red Herring Prospectus.
31. As per RBI regulations, OCBs are not allowed to participate in this Offer.
32. Our Company has not raised any bridge loans against the proceeds of the Offer.
33. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
35. An applicant cannot make an application for more than the number of Equity Shares being offered through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
36. Since present offer is a Book Built Offer, the allocation in the net offer to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
  - a) not less than thirty-five per cent to the Individual Investors;
  - b) not less than fifteen per cent to Non-Institutional Investors;
  - c) not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category.

Provided further that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

37. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made

either by us or our Promoter to the persons who receive allotments, if any, in this Offer.

38. Our Company has 8 shareholders as on the date of filing of this Draft Red Herring Prospectus and all the shareholders belong to the promoter / promoter group.
39. Our Promoter and the members of our Promoter Group will not participate in this Offer, except to the extent of shares offered for sale by our promoter selling shareholders.
40. Our Company has not made any public issue since its incorporation.
41. There are no safety net arrangements for this public offer.

## OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue of up to 50,90,000\* Equity Shares aggregating up to ₹ [●] lakhs by our Company and the Offer for Sale of up to 10,00,000\* Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholders. For details, see “*The Offer*” beginning on page 58.

*\*Subject to finalization of basis of allotment.*

### A. Offer For Sale

The proceeds from the Offer for Sale shall be received by the Promoter Selling Shareholders after deducting their proportion of Offer expenses. Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholders will be entitled to the proceeds from the Offer for Sale, net of their respective portion of the offer related expenses. For details, see “*Objects of the Offer - Offer related Expenses*” on page 103 of this Draft Red Herring Prospectus.

The details of the Offer for Sale are as under:

Name of Selling Shareholder	Type	Date of Authorization Letter	No. of equity shares held	% of the pre- Offer paid up Equity Share capital	Number of Equity Shares Offered by way of Offer for Sale	OFS shares as a % of Pre- Offer Paid Up Capital
Anantharamaih Panish	Promoter Selling Shareholder	September 15, 2025	44,41,580	25.42%	Up to 2,50,000 equity shares aggregating up to ₹ [●] lakhs	1.43%
Gururaj Dambal	Promoter Selling Shareholder	September 15, 2025	44,41,580	25.42%	Up to 2,50,000 equity shares aggregating up to ₹ [●] lakhs	1.43%
S Vinod Kumar	Promoter Selling Shareholder	September 15, 2025	41,44,580	23.72%	Up to 2,50,000 equity shares aggregating up to ₹ [●] lakhs	1.43%
K N Sreenath	Promoter Selling Shareholder	September 15, 2025	44,41,580	25.42%	Up to 2,50,000 equity shares aggregating up to ₹ [●] lakhs	1.43%
<b>Total</b>			<b>1,74,69,320</b>		<b>Up to 10,00,000</b>	

### B. Fresh Issue

#### Requirement of Funds

Our Company proposes to utilise the Fresh Issue Proceeds towards funding of the following objects:

1. Capital expenditure towards civil construction, internal electric work and internal plumbing to set up an Integrated manufacturing unit;
2. To meet Working Capital requirements of the Company;
3. General Corporate Purposes; and
4. To meet Offer Expenses.

*(Collectively referred as the “Objects of the Offer”)*

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the proposed activities to be funded from the Issue Proceeds for which the funds are being raised by us in this Offer. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the

main objects clause of our Memorandum of Association, please refer to 'History and Certain Corporate Matters' beginning on page no. 183 of this Draft Red Herring Prospectus.

We believe that listing of the Company will enhance our corporate image and visibility of brand name of our Company. Further, our Company expects to benefit on listing of our Equity Shares on the EMERGE Platform of NSE Limited (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (Rs. In Lakhs)
Proceeds from Fresh Issue	[●]*
Less: Issue related expenses in relation to the Fresh Issue <sup>(1)</sup>	[●]
<b>Net Issue Proceeds</b>	[●]*

\* Subject to finalisation of Basis of Allotment.

(1) The Offer related expenses shall be determined at the time of filing the Prospectus with RoC.

### Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

(₹ in lakhs)

Sr. No	Particulars	Estimated Amount#	% of Net Proceeds
1.	Capital expenditure towards civil construction, internal electric work and internal plumbing to set up an integrated manufacturing unit	Up to 1,155.38	[●]
2.	To meet Working Capital requirements of the Company	Up to 840.00	[●]
3.	General Corporate Purposes <sup>(1)(2)</sup>	[●]	[●]
	<b>Net issue Proceeds</b>	[●]	[●]

# Estimates are excluding GST and other taxes.

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

(2) The amount utilized for general corporate purposes shall not exceed 15% of the amount being raised by the issuer or ₹ 1,000 lakhs, whichever is less, in accordance with the SEBI ICDR Regulations.

### Details of Pre-IPO Placement

Our Company does not contemplate any issuance or placement of equity shares from the date of this Draft Red Herring Prospectus until the listing of Equity Shares.

### Proposed Schedule of Implementation and Deployment of Net Proceeds

Our Company plans to deploy the funds towards the above stated Objects depending upon various factors including the actual timing of the completion of the Offer and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

We propose to deploy the Net Proceeds towards the Objects of the Offer in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(₹ in lakhs)

Particulars	Total Estimated Amount	Deployment from Other Sources (Including Internal Accruals)	Amount to be utilised from Net Proceeds	Estimated deployment of the Net Proceeds in	
				FY 2025-26	FY 2026-27
Capital expenditure towards civil construction, internal electric work and internal plumbing to set up an integrated	Up to 1,305.38	Up to 150.00	Up to 1,155.38	Up to 850.00	Up to 305.38

manufacturing unit (A)					
To meet Working Capital requirements of the Company (B)	Up to 840.00	Up to NIL	Up to 840.00	Up to 840.00	NIL
General Corporate Purposes (C) <sup>(1)(2)</sup>	[●]	[●]	[●]	[●]	[●]
<b>Total (A+B+C)</b>	[●]	[●]	[●]	[●]	[●]

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

(2) The amount utilized for general corporate purposes shall not exceed 15% of the amount being raised by the issuer or ₹ 1,000 Lakhs, whichever is less, in accordance with the SEBI ICDR Regulations.

## Means of Finance

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, current and valid quotations from vendors, market conditions and other external commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. However, we have obtained a TEV report from Architect dated Sumathi Bhat M dated September 19, 2025. For further details, see “Risk Factors on *“The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval”* beginning on page 47. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial condition, business and growth strategies, ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, access to capital, variation in cost estimates and other external factors such as changes in the business environment, market conditions, regulatory frameworks and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company, in accordance with applicable laws.

If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes (to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations) or any other Object.

## Details of Utilization of Net Proceeds

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds and internal accruals and in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company shall utilise its internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm 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 Offer and existing identifiable accruals, as prescribed under Regulation 230(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations.

## Details of the Objects of the Offer

### **Capital expenditure towards civil construction, internal electric work and internal plumbing to set up an integrated manufacturing unit**

We are engaged in the manufacturing of custom-built Control and Relay Panels ranging from 11kv to 220kv for Power System Monitoring, Control and Protection Applications Transmission Lines, Power Transformers, Bus Bar, Capacitor Bank, etc, for both indoor and outdoor usage, MV and LV Panels, Relays and Substation Automation Systems.

We have two functional manufacturing units which are equipped with necessary infrastructure, a team of engineers and technicians who have experience in the areas of Design, Manufacturing, Testing and Commissioning of Control and Relay Panels, Switchgear Panels, Relays and Automation Panels for system voltage for power system applications.

- Unit I is located in Plot No N-1, 4<sup>th</sup> Cross 1<sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru; and
- Unit II is located at Site No.8, KIADB Plot. No.35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase, Peenya Industrial Area, Nelagadarahalli Village, Bengaluru.

Both these units have a combined total area of 12,500 sq. ft, with an installed capacity of 70,000 units in Unit I for protection relays and 600 units in Unit II for control and relay panels and are currently operating at optimum capacity . As on March 31, 2025, our facilities were operating at 94.06% capacity for Unit I and 87.16% capacity for Unit II.

(Source: Chartered Engineer Report dated September 13, 2025, issued by Souparnika Associates, Chartered Engineer).

Both of our existing manufacturing units are leased on a leave and license basis.. The total area of both these units is fully utilised and further capacity expansion cannot be done.

In view of the growth in revenue recorded over the past three financial years, and in anticipation of continued demand driven by infrastructure expansion and industrial growth, the Company plans to relocate both the existing units to a single new integrated manufacturing unit. .

Our Company has been allotted a land admeasuring 4,020 sq. mtrs. (approximately 1 acre) vide allotment letter dated February 25, 2016 by the Karnataka Industrial Areas Development Board (KIADB), for a lease period of 99 years at Plot Nos. 121 & 122 in the Avverahalli Industrial Area, comprised in Survey Nos. Parts of 87/1 & 87/2, situated in Avverahalli Village, Sompura Hobli, Nelamangala Taluk, Bengaluru Rural District. Our Company plans to set up an integrated manufacturing unit on this land. This proposed new facility will consolidate our existing two operational units into a single, integrated manufacturing unit, thereby streamlining operations and optimizing resource utilization. Both relays and control and relay panels will be manufactured in this proposed new unit and the operations of the existing two units which are on lease will be discontinued. The plant and machinery presently available in Unit I and Unit II will be shifted to the integrated manufacturing unit. We are proposing to use the proceeds of Fresh Issue to fund the set up of integrated manufacturing unit. This is expected to enhance our production capacity and operational efficiency, enabling us to meet the increasing market demand and capitalize on future opportunities in the power sector. The existing and proposed capacity of the manufacturing units for are as shown below:

Particulars	Unit I (Protection Relays)	Proposed New Manufacturing Unit	Unit II (Control & Relay Panels)	Proposed New Manufacturing Unit	Proposed New Manufacturing Unit
	Existing Capacity – FY 2025	Proposed Capacity (A)	Existing Capacity – FY 2025	Proposed Capacity (B)	Combined Proposed Capacity (A+B)
Installed Capacity (in units)	70,000	1,75,000	600	1,500	1,76,500
Actual Production (in units) in FY 2025	65,840	-	523	-	-

As per the Chartered Engineer Report dated September 13, 2025 issued by - Souparnika Associates, Chartered Engineer)

The new integrated facility will have a built-up area of 5,414.99 sq metres (58,286.47 sq. ft) whereas the current combined area of both the units is approximately 1,161.29 sq metres (12,500 sq.ft approximately).

### Implementation Schedule

The expected implementation Schedule of the above capacity expansion is provided below:

Sr. No.	Particulars	Status/Expected Commencement date	Expected Completion date
1	Land Acquisition	Completed	
2	Site development and Civil Work	October 2025	March 2026
3.	Mechanical and Electrical Work	February 2026	April 2026 (mid)
4.	Trial run	April 2026 (mid)	April 2026 (end)
5.	Commencement of Commercial Operations	May 2026 (mid)	-

Note:

*Timelines are subject to change based on regulatory approvals, logistics, and force majeure conditions. Any cost increase, if any, will be utilised through internal accruals and/or external sources.*

### Estimated Proposed Project Cost

The total estimated cost of the proposed manufacturing facility is Rs. 1,305.38 lakhs, as per the TEV Report dated September 19, 2025, obtained by our Company from Sumathi Bhat M (“TEV Report”). Our Company proposes to utilize an amount of up to ₹1,155.38 lakhs from the Net Proceeds and an amount of up to ₹ 150.00 lakhs from its internal accruals for funding capital expenditure requirements towards setting up the Proposed integrated Facility.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for setting up the Proposed Facility comprises the following:

*(Rs. In lakhs)*

S No	Particulars	Estimated Cost	Funds to be deployed from internal accruals	To be met from offer proceeds
1	Civil Construction	1,181.34	150.00	1,031.34
2	Internal Electrical Works	94.51	NIL	94.51
3	Internal Plumbing	29.53	NIL	29.53
	<b>TOTAL</b>	<b>1,305.38</b>	<b>150.00</b>	<b>1,155.38</b>

All quotations received from the contractor/ vendor mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with the contractor/ vendor and there can be no assurance that the same contractor/ vendor would be engaged eventually to construct the proposed facility. If there is any increase in the costs of construction, the additional costs shall be paid by our Company from its internal accruals. The proposed construction cost is based on the present estimates of our management.

### Break-up of Estimated Cost

#### *Civil Construction work*

The Company got an approval of plan dated July 29, 2025 by KIADB for proposed industrial building at Plot No.121 and 122 of Dabaspeth IVth Phase (Avverahalli Industrial Area), Dabaspeth Industrial Area. The Company owns a parcel of industrial land measuring 4,020.00 square meters (approximately 1 acre). The total built-up area of the proposed building is 5,414.99 square metres. The details of the plan as per the Building permit Certificate dated July 29, 2025 approved by KIADB is mentioned below:

S. No	Description	Built-up Area (in sq.metres)
1	Ground Floor	2,150.00
2	First Floor	2,150.00
3	Second Floor	1,114.99
	<b>Total Built-up Area</b>	<b>5,414.99</b>

*Set out below is a break-up of the estimated cost towards civil construction work:*

*(Rs. In lakhs)*

S No	Particulars	Amount
1	Earth Work	12.20
2	Plain/ Reinforced Cement Concrete	379.07
3	Reinforcement Steel	327.25
4	Masonry Works	33.65
5	External Finishing Works	18.25
6	Internal Finishing Works	52.88
7	Water Proofing Works	14.69
8	Flooring Works	91.47
9	Doors	3.24
10	Windows and Ventilators	8.31
11	Minor Fabrication Works	91.70
12	Miscellaneous Works	67.25



13	Compound Wall Works	26.84
14	Road Works	54.56
<b>TOTAL CIVIL WORKS</b>		<b>1,181.34</b>

As per the Architect Report dated September 19, 2025 issued by Sumathi Bhat M.

\*GST extra as applicable is not included in the above costs

Detailed break-up of the estimated cost towards civil construction work:

S No	Description	Unit	Quantity	Rate (₹)	Amount (₹ in Lakhs)
<b>1</b>	<b>Earth Work</b>				<b>12.20</b>
(a)	Footing and foundation	cum	2,100.00	350.00	7.35
(b)	Sides of foundation, footing, trenches	cum	740.00	250.00	1.85
(c)	Plinth area	cum	1,000.00	300.00	3.00
<b>2</b>	<b>Plain/ Reinforced Cement Concrete</b>				<b>379.07</b>
(a)	Foundation, footings	Cum	110.00	6,000.00	6.60
(b)	Flooring	Cum	400.00	6,000.00	24.00
(c)	For Window Sills - Tapered	Cum	5.00	7,000.00	0.35
(d)	coping / pockets as per dwg including finishing	Cum	10.00	8,100.00	0.81
(e)	M25 Grade Concrete Footings and Pedestals	Cum	850.00	7,200.00	61.20
(f)	M25 Grade Concrete Columns & Shear Walls (all Shapes)	Cum	375.00	8,000.00	30.00
(g)	M35 Grade Concrete Plinth Beams	Cum	25.00	7,500.00	1.88
(h)	M25 Grade Grade Slab	Cum	325.00	7,200.00	23.40
(i)	M25 Grade Concrete Slab	Cum	915.00	7,500.00	68.63
(j)	M25 Grade Concrete Beams	Cum	875.00	7,500.00	65.63
(k)	M25 Grade Concrete Stair Case	Cum	15.00	8,500.00	1.28
(l)	Chajja average 75m thick	Cum	10.00	9,000.00	0.90
(m)	M25 Grade Concrete Lintel	Cum	25.00	8,000.00	2.00
(n)	M25 Grade Concrete Sump Tank	Cum	11.00	8,000.00	0.88
(o)	Footings and Pedestals	Sqm	1,100.00	550.00	6.05
(p)	Columns & Shear Walls (all Shapes)	Sqm	2,500.00	650.00	16.25
(q)	Floor Slabs, Roof slab and projections (Flat)	Sqm	5,595.00	600.00	33.57
(r)	Lintels and roof beams	Sqm	5,300.00	600.00	31.80
(s)	Chajja average 75m thick	Sqm	100.00	600.00	0.60
(t)	Plinth Beams	Sqm	300.00	600.00	1.80
(u)	Stair Case	Sqm	150.00	650.00	0.98
(v)	Sump Tank	Sqm	75.00	650.00	0.49
<b>3</b>	<b>Reinforcement Steel</b>				<b>327.25</b>
(a)	Providing fabricating & tying reinforcement steel	M.T	385.00	85,000.00	327.25
<b>4</b>	<b>Masonry Works</b>				<b>33.65</b>
(a)	Providing and constructing Size Stone Masonry in c.m 1:6 below ground level for foundation, trenches, plinths, retaining walls..	Cum	75.00	7,000.00	5.25
(b)	200 thk Wall	Sqm	1,550.00	1,600.00	24.80
(c)	100mm thk Wall	Sqm	300.00	1,200.00	3.60
<b>5</b>	<b>External Finishing Works</b>				<b>18.25</b>
(a)	Providing and doing external ceiling plastering 12mm thick in CM1:4 with sand face finish	Sqm	100.00	500.00	0.50
(b)	Providing and doing external wall plastering 20mm thick with sand faced finish	Sqm	2,100.00	550.00	11.55

(c)	Providing and painting two or more coats of Apex ultima coat over a base coat of primer	Sqm	2,100.00	295.00	6.20
<b>6</b>	<b>Internal Finishing Works</b>				<b>52.88</b>
(a)	Providing and doing internal ceiling plastering 12mm thick in CM 1:4 with lime rendering,	Sqm	4,950.00	550.00	27.23
(b)	Providing and doing internal wall plastering 15mm thick in CM 1:6 with lime rendering,	Sqm	2,000.00	500.00	10.00
(c)	Providing and doing rough cast plastering (as an undercoat to tiling work) wall plastering 12mm thick in CM 1:6	Sqm	125.00	450.00	0.56
(d)	Providing and painting two or more coats of Tractor Emulsion Paint of Asian or Berger paint over a coat of primer,	Sqm	6,950.00	210.00	14.60
(e)	Preparing the surface, Providing & applying Plastering to masonry wall, RCC surfaces, 12mm thick in single coat to Service shafts, ducts, etc., in CM 1:6 (1 cement: 6 fine sand)	Sqm	75.00	550.00	0.41
(f)	Providing and applying 2 coats of White wash (manufactured by SURFACOATS)/SNOWCEM, of approved color/shade, over one coat of JK/BIRLA white cement primer over sponge plastered surface (inside ducts) etc.,	Sqm	75.00	110.00	0.08
<b>7</b>	<b>Water Proofing Works</b>				<b>14.69</b>
(a)	Toilet Waterproofing:	Sqm	40.00	850.00	0.34
(b)	Supplying and applying single component, elastomeric 100% pure polyurethane coating,	Sqm	1,075.00	1,300.00	13.98
(c)	Lift Pits :"Crystallization: Pressure Grouting:	Sqm	20.00	850.00	0.17
(d)	Bore Packing:	Nos	8.00	2,500.00	0.20
<b>8</b>	<b>Flooring Works</b>				<b>91.47</b>
(a)	Vaccum dewatering flooring works: Providing and laying M20 grade concrete for nonslippery,	Sqm	5,900.00	640.00	37.76
(b)	Providing floor coat self levelling EPOXY COATING Floor	Sqm	5,900.00	780.00	46.02
(c)	Providing and laying Vitrified tile flooring	Sqm	110.00	1,500.00	1.65
(d)	Anti skid vitrified/ceramic tile flooring:	Sqm	40.00	1,550.00	0.62
(e)	Glazed Ceramic tile dado -	Sqm	125.00	1,500.00	1.88
(f)	Granite Cladding	Sqm	30.00	4,200.00	1.26
(g)	Granite flooring (staircase):	Sqm	60.00	3,800.00	2.28
<b>9</b>	<b>Doors</b>				<b>3.24</b>
(a)	Providing and fixing well-seasoned Sal wood door frame	Nos	18.00	18,000.00	3.24
<b>10</b>	<b>Windows and Ventilators</b>				<b>8.31</b>
(a)	Providing & fixing of 2-track x 2-panel sliding windows made out of multi chambered UPVC	Sqm	145.00	5,500.00	7.98

(b)	Providing & fixing of louvered ventilator made out of multi chambered UPVC	Sqm	6.00	5,500.00	0.33
<b>11</b>	<b>Minor Fabrication Works</b>				<b>91.70</b>
(a)	Supply, Fabricating & fixing in position MS window grills at all levels a	Sqm	145.00	3,000.00	4.35
(b)	Providing, fabricating & fixing SS railings	Sqm	25.00	5,000.00	1.25
(c)	Supplying, fabricating, hoisting and erecting in position Mild steel structural steel works	MT	40.00	1,45,000.00	58.00
(d)	Supplying, Providing and fixing PUF insulated sandwich panels for roof	Sqm	1,200.00	2,000.00	24.00
(e)	Providing and fixing Colour Coated GALVALUME SHEET,	Sqm	138.00	725.00	1.00
(f)	Supplying & fixing wind driven Rotary Turbine Wind Driven Ventilators	Each	10.00	10,000.00	1.00
(g)	Supplying and fixing Mechanised rolling shutters	Sqm	30.00	7,000.00	2.10
<b>12</b>	<b>Miscellaneous Works</b>				<b>67.25</b>
(a)	Providing and doing Anti termite treatment	Sqm	2,150.00	110.00	2.37
(b)	Clay tiles for roof	Sqm	1,075.00	1,050.00	11.29
(c)	Construction of rain water harvest pit	No	10.00	36,000.00	3.60
(d)	Providing & Installation of Integrated Solar LED Panels at Roof.	sqm	1,000.00	5,000.00	50.00
<b>13</b>	<b>Compound Wall Works</b>				<b>26.84</b>
(a)	Earthwork excavations	Cum	150.00	350.00	0.53
(b)	Earth filling in layers of 150mm thick	Cum	100.00	250.00	0.25
(c)	Providing and laying of P.C.C 1:4:8 below foundation	Cum	20.00	6,000.00	1.20
(d)	Providing and laying P.C.C 1:3:6	Cum	12.00	6,500.00	0.78
(e)	Providing and laying P.C.C 1:3:6	Cum	6.00	6,500.00	0.39
(f)	Providing and constructing Size Stone Masonry in c.m 1:6 below ground level	Cum	120.00	7,000.00	8.40
(g)	Providing and constructing 200mm thick solid concrete block masonry walls	Sqm	450.00	1,500.00	6.75
(h)	Providing and doing external wall plastering 20mm thick with sand faced finish in CM 1:6	Sqm	950.00	550.00	5.23
(i)	Providing and painting two or more coats of Ace paint over a base coat of primer	Sqm	950.00	245.00	2.33
(j)	Providing and fixing the M S Gate	Sqm	18.00	5,500.00	0.99
<b>14</b>	<b>Road Works</b>				<b>54.56</b>
(a)	Earth work excavation for Foundation	Cum	500	300.00	1.50
(b)	Compacting original ground supporting embankment	sqm	1650	70.00	1.16
(c)	Providing and laying granular sub-base	Cum	300	2,300.00	6.90
(d)	A.Wet Mix Macadam (Plant mix method).	Cum	300	2,300.00	6.90

(e)	Pavement Quality M30 grade Concrete (RMC) with OPC & GGBS	Cum	250	7,500.00	18.75
(f)	Providing and fixing steel reinforcement of Fe 550 grade for RCC	Mt	15	85,000.00	12.75
(g)	Providing and laying heavy duty (shot blasted) interlocking paver blocks	Sqm	600.00	1,100.00	6.60
<b>TOTAL CIVIL WORKS</b>					<b>1,181.34</b>

As per the Architect Report dated September 19, 2025 issued by Sumathi Bhat M.

\*GST extra as applicable is not included in the above costs

### **Internal Electrical Works**

The estimated cost of internal electrical works is as mentioned below:

(₹ in Lakhs)

Particulars	Amount
Internal Electrical Works @ 8% of Civil Works	94.51

As per the Architect Report dated September 19, 2025 issued by Sumathi Bhat M.

\*GST extra as applicable is not included in the above costs

### **Internal Plumbing and Sanitation Works**

The estimated cost of internal plumbing and sanitation works is as mentioned below:

(₹ in Lakhs)

Particulars	Amount
Internal Plumbing and Sanitation Works @ 2.5% of Civil Works	29.53

As per the Architect Report dated September 19, 2025 issued by Sumathi Bhat M.

\*GST extra as applicable is not included in the above costs

### **Proposed schedule of implementation of the Proposed Object**

Particulars	Estimated date of commencement	Estimated date of completion
Proposed Integrated Manufacturing Unit	October 2025	April, 2026 (month end)
Trial run	May, 2026 (start)	May, 2026 (mid)
Commercial operation	May, 2026 (mid)	-

Methodology for selection of vendor quotation as certified by Architect Report dated September 19, 2025 issued by Sumathi Bhat M.

Our estimated costs for our Civil Construction work are based on valid and existing quotations received from the vendors as mentioned above. We have received three quotations for constructing the proposed manufacturing unit.

We have selected Swathi Constructions, having its office situated at SY No.118, Gayathri Lakefront, Ring Herbal, Road, Bangalore 560024, for carrying out the entire construction work of our integrated manufacturing unit. The quotation dated September 10, 2025 is valid for 6 months is approved by our Board in its meeting dated September 24, 2025 based on the following reasons:

- Competitive Pricing: Submitted the most cost-effective proposal while maintaining the required quality standards, resulting in overall project cost savings.
- Technical Compliance: The technical specifications and proposed methodologies align best with the project requirements, particularly in areas like civil construction, electrical integration, and plumbing layout.
- Past Experience: Vendor has demonstrated experience in similar-scale projects, with positive references and a strong portfolio.
- Execution Capacity: Has adequate manpower and infrastructure to ensure timely delivery without compromising on quality.

### **Government approvals**

The company will be requiring the below mentioned government approvals, permissions and clearances for the Proposed integrated manufacturing unit which includes, inter alia, Pre-Establishment approvals/permissions/clearances and Post Establishment approvals/permissions/clearances along with the status for the applications –

Nature of License/ Approval/ NOCs	Name of the Authority	Status of the Application
Acquisition of the Land	-	Already acquired
Consent to establish (Amendment in existing license) as per Provision of Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Regional Officer, Nelamangala, Karnataka State Pollution Control Board	Reference No. KSPCB/RO-NEL/EO/Avana/2024-25/1336 dated 17.03.2025
Building Plan approval	Karnataka Industrial Area Development Board	Building Permit Certificated Reference No. DO1-KIADB-00090/25-26/BP dated 29.07.2025
Certificate of Commencement	Karnataka Industrial Area Development Board	To be obtained after completion of construction
Occupancy Certificate	Karnataka Industrial Area Development Board	To be obtained after completion of construction
NOC	Factories and Boilers Department	To be obtained after completion of construction
Environmental Clearance	MOEF or the Department of Forest Ecology and Environment, Government of Karnataka, if applicable	To be obtained after completion of construction

#### b) To meet out the Working Capital requirements of the Company

We have significant working capital requirements, and we fund a majority of our working capital requirements in the ordinary course of business from internal accruals, and financing from banks by way of working capital facilities. Our Company requires working capital primarily for the procurement of raw materials such as sheet metal, switchgear components, and cables, as well as for manufacturing, assembly, and testing of our control and relay panels. As we continue to expand our production capacity and cater to increasing demand across power utilities, industrial, and infrastructure sectors, our working capital requirements are expected to grow in tandem. This includes the construction of an integrated manufacturing facility and the scaling up of production capabilities at our integrated manufacturing set up. Further, investment in inventory is essential not only to fulfil current project orders but also to maintain adequate stock of critical raw material to meet urgent and time-sensitive project requirements. Therefore, the working capital requirement of our Company shall increase as we continue to expand our manufacturing footprint, increase procurement of materials, and execute higher volumes of projects for clients in the power sector.

Key parameters influencing our working capital requirements include the growth in revenue from operations, % of net working capital to revenue from operations are shown below:

Particulars	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations (₹ in lakhs)	6,148.58	5,298.77	2,840.65
Net working capital (₹ in lakhs)	1,850.92	1,433.09	1,096.51
Percentage of net working capital to revenue from Operations (%)	<b>30.10%</b>	<b>27.05%</b>	<b>38.60%</b>
Growth in revenue from Operations (%)	<b>16.04%</b>	<b>86.53%</b>	<b>36.66%</b>

We have significant working capital requirement in inventory and trade receivables, which we fund in the ordinary course of business from our internal accruals and financing facilities from various banks and financial institutions. Further, additional working capital is planned to maintain the inventory which may enable us to achieve our growth targets and serve our customers on a consistent timeline. We intend to utilise ₹ 840.00 Lakhs to meet the incremental working capital requirements in Fiscal 2026. We believe that securing funding for our incremental working capital requirements will play a critical role in supporting the growth of the company.

#### *Basis of estimation of incremental working capital requirement*

##### a) Existing working capital

The details of our Company's working capital requirement for financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 derived from Audited Financial Statements and source of funding of the same are provided in the table below:

(₹ in Lakhs)

S. No	Particulars	31-Mar-25	31-Mar-24	31-Mar-23
<b>I</b>	<b>Current Assets</b>			
	Trade Receivables	2,119.08	1,483.64	1,115.56
	Inventories	1,470.95	1,193.31	770.29
	Short-Term Loan & Advances	358.15	246.17	360.08
	Other current Assets	96.35	57.17	40.53
	<b>Total (I)</b>	<b>4,044.53</b>	<b>2,980.29</b>	<b>2,286.45</b>
<b>II</b>	<b>Current Liabilities</b>			
	Trade Payables	927.17	676.29	575.65
	Other current liabilities	463.50	317.71	334.13
	Short-term provisions	802.93	553.21	280.16
	<b>Total (II)</b>	<b>2,193.60</b>	<b>1,547.21</b>	<b>1,189.94</b>
<b>III</b>	<b>Total Working Capital Gap (I-II)</b>	<b>1,850.92</b>	<b>1,433.09</b>	<b>1,096.51</b>
<b>IV</b>	<b>Funding Pattern</b>			
	Short term borrowings and internal accrual	1,850.92	1,433.09	1,096.51

As per the certificate dated September 20, 2025 issued by Vasanth & Co., Chartered Accountants.

**b) Future working capital requirement**

Accordingly, based on the existing working capital requirements, management estimates and projected business plan and growth, our Board has, pursuant to its resolution dated September 24, 2025, approved the projected working capital requirements for the Fiscal 2026. The proposed funding of such working capital requirement of the company are as set out below:

S. No	Particulars	31-Mar-26 (Estimated)	31-Mar-27 (Estimated)
<b>I</b>	<b>Current Assets</b>		
	Trade Receivables	2,720.65	3,340.70
	Inventories	1,646.94	2,027.17
	Short-Term Loan & Advances	395.38	456.50
	Other current Assets	75.96	91.15
	<b>Total (I)</b>	<b>4,838.94</b>	<b>5,915.52</b>
<b>II</b>	<b>Current Liabilities</b>		
	Trade Payables	866.76	1,074.96
	Other current liabilities	354.48	403.51
	Short-term provisions	857.30	911.59
	<b>Total (II)</b>	<b>2,078.54</b>	<b>2,390.05</b>
<b>III</b>	<b>Total Working Capital Gap (I-II)</b>	<b>2,760.39</b>	<b>3,525.47</b>
	<b>Incremental Working Capital Gap</b>	<b>909.47</b>	<b>765.08</b>
<b>IV</b>	<b>Funding Pattern</b>		
	From IPO Proceeds	840.00	-
	Internal accrual and external sources	69.47	765.08

As per the certificate dated September 20, 2025 issued by Vasanth & Co., Chartered Accountants.

Key assumptions for working capital projections made by our Company:

(No. of days)

Particulars	31-Mar-27	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-23
Inventories	149	150	167	134	173
Trade Receivables	134	131	126	102	143
Trade Payables	78	76	97	67	113
<b>Net Working Capital cycle</b>	<b>205</b>	<b>205</b>	<b>196</b>	<b>169</b>	<b>203</b>

Justification for holding levels

Particulars	Justification
Inventory	Inventory days have been calculated as inventory as on balance sheet date divided by cost of goods sold over 365 days.

	<p>Our Company's inventory primarily consists of raw materials, semi-finished goods and finished goods. Our Company had maintained overall inventory holding period of 173 days in Fiscal 2023, 134 days in Fiscal 2024 and 167 days in Fiscal 2025 for maintaining required level of inventory to execute the customer orders.</p> <p>Inventory days for Fiscal 2026 and 2027 are anticipated to be 150 days and 149 days respectively. The projections for the holding levels are based on our projected increase in revenue from operations.</p> <p><i>Rationale for Inventory Management- Panels:</i></p> <p>a. Lead Time – Our major raw material includes MS Steel enclosures, numerical relays, meters, cables, and MCB (Miniature Circuit Braker). The lead time for the above ranges, on an average of 30-40 days. Hence the company needs to maintain readily available raw material inventory level in order to cater to existing and projected customer orders.</p> <p>b. Conversion Time – The average conversion time from raw material to WIP is 15-20 days after approval of drawing of the panel from the customer and another 7 days on an average for testing and customer inspection. In case, if any rework is required based on customer inspection, it takes another 2-3 days to rectify the same. Post that, based on dispatch instruction from customer, receipt of payment before dispatch if any and final dispatch takes another 4-5 days.</p> <p><i>Rationale for Inventory Management- Relays:</i></p> <p>a. Lead Time – Our major raw material includes Integrated Chips, Mechanical Enclosures, PCB (Printed Circuit Boards), Displays and other electronic components, The lead time for the above ranges, on an average of 30 days. Hence the company needs to maintain readily available raw material inventory level in order to cater to existing and projected customer orders.</p> <p>b. Conversion Time – The average conversion time from raw material to dispatch is 20 days on an average.</p> <p>As on August 31, 2025 the company has confirmed work orders from both the units amounting to ₹ 4,386.78 Lakhs. Hence, in order to cater to this confirmed order and further projected orders for the rest of the year, the company needs to maintain adequate inventory of raw materials as mentioned above. This approach allows us to proactively align inventory with market demand, reduce lead times, and minimize stockouts or overstock situations.</p>
Trade Receivables	<p>Trade receivables days are calculated as trade receivables as on balance sheet date divided by revenue from operations over 365 days.</p> <p>Our holding level of trade receivables were 143 days, 102 days and 126 days in Fiscal 2023, Fiscal 2024 and Fiscal 2025 respectively.</p> <p><i>Rationale for Trade Receivables</i></p> <p>1. The average receivables days based on the customer orders varies from 90 to 120 days with 5-15% of upfront advance and 5-10% retention thereof. As on 31<sup>st</sup> March 2025, the total retention which is part of the above debtors amounting to ₹ 2,119.08 Lakhs is ₹ 119.15 Lakhs. With projected increased sales, this amount is expected to increase accordingly thereby blocking the working capital.</p> <p>2. Existing and Increasing Orders in hand – As on 31<sup>st</sup> August, 2025 the company has confirmed work orders amounting to ₹ 4,386.78 Lakhs. Hence, in order to cater to this confirmed order and further projected orders for the rest of the year, the average receivables days are expected to rise accordingly.</p> <p>We have anticipated trade receivable days as 131 days and 134 days in Fiscal 2026 and Fiscal 2027 respectively vis-à-vis trade receivable days of 143 days, 102 days and 126 days in Fiscal 2023, Fiscal 2024 and Fiscal 2025 respectively which is more or less similar to the historical data.</p>
Short-Term Loans and Advances	<p>Due to increased operational activity, EMD and GST input will increase resulting in increased working capital requirement.</p>

Other Currents Assets	Other current assets mainly comprise of prepaid expenses. The same is expected to be in similar lines as of the historical period.
Trade Payables	<p>Trade payable days are calculated as trade payable as on balance sheet date divided by total purchases over 365 days.</p> <p>Holding levels for trade payables for Fiscal 2023, 2024 and 2025 were 113 days, 67 days and 97 days, respectively. Our accounts payables have remained stable over the years, reflecting the efficiency in our operations and the strengthening of our relationships with suppliers. These credit terms have provided flexibility in managing our working capital and funding the company's growth more efficiently.</p> <p><i>Rationale for Trade Payable days:</i></p> <p>Accordingly, considering construction of a new manufacturing unit, we have anticipated average trade payable days as 76 days in Fiscal 2026 and 78 days in Fiscal 2027 respectively. This will help us to get better rates, uninterrupted and timely supply and thereby help the company in earning better margin.</p>
Other Current Liabilities	Other current liabilities majorly comprise of advances from customers, statutory dues payable, outstanding liabilities and other payables. The same is in line with the projected increase in the business operations.
Short-Term Provisions	Provisions primarily comprising of provision for employee benefits, provision for warranty and provision for tax. The same is in line with the projected increase in the business operations.

### c) General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Offer proceeds aggregating Rs. [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any offer related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual offer expenses turn to be lesser than the estimated issue expenses of Rs. [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 15% of the amount raised by our Company through this Offer.

### Offer Related Expenses

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

Expenses	Expenses (Rs. In lakhs)	Expenses (% of Total Offer expenses)	Expenses (% of Gross Offer Proceeds)
Book Running Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Registrar to the Offer	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Three Years)	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses.)	[●]	[●]	[●]



Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Offer Expenses</b>	[●]	[●]	[●]

Notes:

- The Members of RTAs and CDPs will be entitled to application charges of ₹ [●]/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers, will be entitled to a commission of ₹ [●]/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- SCSBs would be entitled to a processing fee of ₹ [●]/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ [●]/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
- Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

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

## APPRAISAL REPORT

None of the objects for which the Offer Proceeds will be utilised have been financially appraised by any financial institutions / banks.

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Offer Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Offer. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Offer.

## INTERIM USE OF FUNDS

Pending utilization of the Offer Proceeds for the Objects of the offer described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Offer as described above, it shall not use the funds from the Offer Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Offer size is less than ₹ 5,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Offer and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Offer have been utilized in full.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the offer without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

No part of the proceeds of the Offer will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company and Promoter Selling Shareholders in consultation with the BRLM based on an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Offer Price is [●] times of the face value.

Investors should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” on pages 31, 209, 250 and 140 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

## QUALITATIVE FACTORS

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

- We have an established relationship with our customers and have built a wide customer base spread across state electricity distribution companies and private companies over the last 15 years of our existence.
- Our insistence on quality has played an important role in the success of our business helping us to retain and satisfy existing customers, attract new customers, build reputation, brand image, and providing us a competitive advantage over our competitors.
- The rich experience in Protection Relay development and Control & Relay panel manufacturing of our Promoter Directors combined with the support of a strong and experienced management team and dedicated employees has provided us a competitive advantage and enables us to function effectively and efficiently.
- Our highly diversified customer base, which includes customers across India including power utilities and industrial conglomerates, allows us to tap into varied revenue streams and mitigate sector-specific risks. The diversity of our customer base enables us to leverage growth opportunities across different geographies and industries.
- Our in-house Research and Development facility staffed with a talented team of 9 Engineers, Firmware and Software Developers enables us to test our Relays as per quality control measures in our labs and also strive to bring out innovation in our existing products.

For further details, refer to heading “Our Competitive Strengths” under the chapter titled “Our Business” on page 140 of this Draft Red Herring Prospectus.

## QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Information of the Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For details, refer section titled “Restated Financial Information” on page 209 of this Draft Red Herring Prospectus.

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

### (1) Basic and Diluted Earnings per Share (“EPS”) at face value of ₹ 10 each

As per Restated Financial Statements – Post Bonus’

Financial Year/period	Basic and Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2025	4.76	3
Financial Year ended March 31, 2024	2.30	2
Financial Year ended March 31, 2023	0.53	1
<b>Weighted Average</b>	<b>3.23</b>	

**Note: -**

- (A) Basic Earnings per share = Net profit / (loss) after tax for the year/period, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/period.
- (B) Diluted Earnings per share = Net profit after tax for the year/period, as restated attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the year/period.
- (C) Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.  $[(EPS \times Weight) \text{ for each fiscal}] / [Total \text{ of weights}]$ .

- (D) *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.*
- (E) *Earnings per share calculations are in accordance with the notified Accounting Standard 20” Earnings per share”.*

**(2) Price to Earnings (P/E) ratio in relation to Offer Price of ₹ [●] per Equity Share of face value of ₹10 each fully paid up – Post Bonus**

Particulars	P/E ratio at Floor Price (number of times)	P/E ratio at the Cap Price (number of times)
P/E ratio based on Basic & Diluted EPS, as restated for FY 2024-25	[●]	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS	[●]	[●]

**(3) Return on Net Worth (“RoNW”)**

Financial Year Ended	RoNW, as derived from the Restated Financial Statements (%)	Weightage
Financial Year ended March 31, 2025	38.13	3
Financial Year ended March 31, 2024	29.84	2
Financial Year ended March 31, 2023	9.75	1
<b>Weighted Average</b>	<b>30.64</b>	

**Notes:**

- Return on Net Worth (%) = Net Profit after tax attributable to equity shareholders, as restated / Net worth as restated as at year end.*
- Weighted average RoNW = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights.*
- Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Information.*

**(4) Net Asset Value (NAV) per Equity Share of Face Value of ₹ 10 each as per Restated Financial Information:**

(in ₹)

Financial Year Ended	NAV per equity share derived from the Restated Financial Statements
As on March 31, 2025	12.48
As on March 31, 2024	7.72
As on March 31, 2023	5.42
<b>After the completion of the Issue</b>	
NAV at Floor Price	[●]
NAV at Cap Price	[●]
Offer Price*	[●]

**Notes:**

- Net assets value per share: Net Worth at the end of the year/ Total number of equity shares outstanding at the end of the year*
- \*Offer Price per Equity Share will be determined on conclusion of the Book Building Process in consultation with BRLMs Industry Peer Group Comparison*

**(5) Comparison with Industry Peers**

Name of the Company	Basis	CM P* (in ₹)	Basic EPS	Diluted EPS	P/E Ratio	RON W (%)	NAV Rs. (per share)	Face Value ₹ (per share)	Total revenue from operations (₹ in Lakhs)
Avana Electrosystems Limited	Standalone	[●]	4.76	4.76	[●]	38.13	12.48	10	6,148.58
<b>Peer-Group**</b>									
Danish Power Limited	Consolidated	883.50	34.55	34.55	30.18	18.00	162.51	10	43,295.03
Aartech Solonics Limited	Consolidated	54.00	0.87	0.87	73.86	8.74	19.80	5	3,933.17

\* Offer Price of our Company is considered as CMP. Current Market Price for Peer Group Companies is as on September 24, 2025 on the NSE; The P/E ratio is as on September 24, 2025. The comparable for the peer group companies is as on March 31, 2025

\*\*Source: [www.nseindia.com](http://www.nseindia.com).

#### Notes:

- Considering the nature, range of products, turnover and size of business of the Company, the peers are not strictly comparable. However, the above Companies have been included for broad comparison.
- The figures of Avana Electrosystems Limited are based on the Restated Financial Information for the year ended March 31, 2025
- The figures for the peer group are for the year ended March 31, 2025 and are from the financial statements filed with the NSE on a consolidated basis.
- Current Market Price (CMP) is the closing price of the peer group scrip as on September 24, 2025 on NSE
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
- P/E Ratio for the peer has been computed based on the closing market capitalisation of respective peers as on September 24, 2025 as divided by the profit after tax for the financial year 2025.
- RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
- Avana Electrosystems Limited is a Book Built Issue.
- The Offer Price has been determined by the company in consultation with the Book Running Lead Manager and is justified based on the above qualitative and quantitative parameters.

### (6) Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 19, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by our Statutory Auditors Vasanth & Co., Chartered Accountants by their certificate dated September 19, 2025.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 140 and 251 of this Draft Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 01 of this Draft Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Offer as per the disclosure made in the chapter titled “Objects of the Offer” on page 90, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

The table below sets forth the relevant and material KPIs that have a bearing on arriving at the Offer Price along with a brief explanation of and the importance of these KPIs for our business and operations and how these KPIs have been used by the management to analyse and track the performance of our Company.

### Financial Key Performance Indicators of our Company

Particulars	Units	For the financial year ended March 31,		
		2025	2024	2023
Revenue from Operations <sup>(1)</sup>	(₹ in lakhs)	6,148.58	5,298.77	2,840.65
Growth in Revenue from Operations <sup>(2)</sup>	(YoY%)	16.04%	86.53%	36.66%
Gross Profit <sup>(3)</sup>	(₹ in lakhs)	2,939.28	2,054.99	1,216.13
Gross Profit Margin <sup>(4)</sup>	(%)	47.80%	38.78%	42.81%
EBITDA <sup>(5)</sup>	(₹ in lakhs)	1,251.96	741.97	192.04
EBITDA Margin <sup>(6)</sup>	(%)	20.36%	14.00%	6.76%
Profit After Tax <sup>(7)</sup>	(₹ in lakhs)	831.23	402.41	92.29
PAT Margin <sup>(8)</sup>	(%)	13.52%	7.59%	3.25%
RoCE <sup>(9)</sup>	(%)	53.71%	40.02%	15.31%
RoE <sup>(10)</sup>	(%)	47.11%	35.07%	10.25%
Return on Assets <sup>(11)</sup>	(%)	19.00%	12.09%	3.80%
Operating Cash Flows <sup>(12)</sup>	(₹ in lakhs)	676.66	94.77	(31.75)
Net Fixed Asset Turnover <sup>(13)</sup>	(in times)	17.90	18.67	14.39

The above figures have been certified by our Statutory Auditors Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025.

#### Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) Growth in revenue from operations(yoy%) is calculated by subtracting the previous period's revenue from the current period's revenue, and then dividing that number by the previous period's revenue
- (3) Gross Profit is the Revenue from Operations of the Company as reduced by the cost of materials consumed and Changes in Inventories of finished goods, work in progress and stock-in-trade
- (4) Gross Profit Margin (%) is Gross Profit divided by Revenue from Operations
- (5) EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income
- (6) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (7) Profit After Tax (PAT) is calculated as Profit before tax – Tax Expenses.
- (8) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (9) Return on Capital Employed (ROCE) is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term borrowings deducted by intangible assets.
- (10) Return on Equity (ROE) is ratio of Profit after Tax and average Shareholder Equity
- (11) Return on Assets (ROA) is equal to PAT / average total assets deployed wherein average total assets deployed = (Opening total assets + Closing total assets)/2
- (12) Operating cash flow is extracted from Cash Flow Statement in Restated Financial Statements
- (13) Net Fixed Asset Turnover is equal to net revenue from operations/average fixed assets wherein average fixed assets = (Opening fixed assets + Closing fixed assets)/2

### Operating KPIs Monitored by the Company

In addition to the financial KPIs mentioned above, we also monitor the following operational metrics to assess our business performance and identify areas for improvement, with the aim of optimizing both revenue (top line) and profitability (bottom line):

#### 1. Output per day per unit – Relay and Panels

Particulars	FY 2025	FY 2024	FY 2023
Total number of Panels produced in a year	523	502	478
No. of days Panel unit was operational in a year	300	300	300

Output per day – Panel Unit [Total number of Panels / No. of days]	1.74	1.67	1.59
Total number of Relay units produced in a year	65,840	58,501	27,942
No. of days Relay unit was operational in a year	300	300	300
Output per day – relay Unit [Total number of Relay / No. of days]	219.47	195	93.14

This KPI helps in tracking the output generated per day for our units. It is an indicator of Company's employee efficiency and profitability measure.

## 2. Calculation of Sales from various sales channels:

Particulars	Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Tender / Government Orders	1007.33	16.38	952.78	17.98	758.75	26.71
Private Parties	5055.09	82.22	4320.8	81.54	2078.25	73.16
Network of Dealers	86.16	1.40	25.19	0.48	3.65	0.13
<b>Total</b>	<b>6148.58</b>	<b>100.00</b>	<b>5298.77</b>	<b>100.00</b>	<b>2840.65</b>	<b>100.00</b>

This KPI helps us in tracking the sales registered through various channels like Government Orders / Orders received through the tender process, direct sales to private parties and sales through our distributors and dealers. This helps in understanding under which channel the Company's sales are growing.

*The above figures have been certified by our Statutory Auditors, Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025.*

**Comparison of KPIs with listed industry peers:**

(Rs.in lakhs)

Particulars	Unit	Avana Electrosystems Limited			Danish Power Limited			Aartech Solonics Limited		
		For the Year ended			For the Year ended			For the Year ended		
		2025	2024	2023	2025	2024	2023*	2025	2024	2023
Revenue from Operations <sup>(1)</sup>	(₹ in lakhs)	6,148.58	5,298.77	2,840.65	42,670.98	33,247.67	18,870.06	3,635.22	3,274.41	2,168.80
Growth in Revenue from Operations <sup>(2)</sup>	(YoY%)	16.04%	86.53%	36.66%	28.34%	76.19%	26.96%	11.02%	50.98%	32.76%
Gross Profit <sup>(3)</sup>	(₹ in lakhs)	2,939.28	2,054.99	1,216.13	12,513.70	8,599.68	3,768.27	1,866.48	1,130.20	898.10
Gross Profit Margin <sup>(4)</sup>	(%)	47.80%	38.78%	42.81%	29.33%	25.87%	19.97%	51.34%	34.52%	41.41%
EBITDA <sup>(5)</sup>	(₹ in lakhs)	1,251.96	741.97	192.04	8,279.82	5,513.62	1,629.62	-19.36	47.18	63.11
EBITDA Margin <sup>(6)</sup>	(%)	20.36%	14.00%	6.76%	19.40%	16.58%	8.64%	-0.53%	1.44%	2.91%
Profit After Tax <sup>(7)</sup>	(₹ in lakhs)	831.23	402.41	92.29	5,759.14	3,772.01	867.20	276.42	131.53	142.17
PAT Margin <sup>(8)</sup>	(%)	13.52%	7.59%	3.25%	13.50%	11.35%	4.60%	7.60%	4.02%	6.56%
RoCE <sup>(9)</sup>	(%)	53.71%	40.02%	15.31%	27.10%	56.71%	26.16%	6.17%	9.38%	7.38%
RoE <sup>(10)</sup>	(%)	47.11%	35.07%	10.25%	28.63%	59.39%	21.51%	9.06%	4.50%	5.00%
Return on Assets <sup>(14)</sup>	(%)	19.00%	12.09%	3.80%	19.92%	27.86%	7.72%	6.59%	3.37%	4.08%
Operating Cash Flows <sup>(15)</sup>	(₹ in lakhs)	676.66	94.77	(31.75)	(1,890.08)	2,572.68	1,663.97	(152.16)	149.20	(482.26)
Net Fixed Asset Turnover <sup>(16)</sup>	(in times)	17.90	18.67	14.39	9.99	10.28	8.32	8.06	7.44	5.03

Source: Annual Reports of the respective companies / [www.bseindia.com](http://www.bseindia.com)/[www.nseindia.com](http://www.nseindia.com)

The financials of the peer group are on a consolidated basis

\*Financials for FY 2023 available on standalone basis



**(7) Weighted average cost of acquisition**

- a) *The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the primary/new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Transactions")*

Except mentioned below there has been no issuance of Equity Shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, excluding shares issued under ESOP/ESOS and issuance of bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Issuance	Name of Allotee	No. of Equity Shares allotted	% of paid-up capital (fully diluted prior to allotment)	Price per Equity Share allotted	Cumulative No. of Equity Shares	Cumulative amount paid for the Equity Shares
NIL	NIL	NIL	NIL	NIL	NIL	NIL
Weighted average cost of acquisition*				N.A.		

- b) *The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving any of the Promoters, members of the Promoter Group, Selling Shareholders or Shareholders with rights to nominate directors during the 18 months preceding the date of filing of this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")*

Except as set out below, there have been no secondary sale / acquisitions of Equity Shares, where the promoter, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Secondary Sale/Acquisition	Name of Transferor and Transferee	No. of Equity Shares Sold/Acquired	% of paid-up capital	Price per Equity Shares sold/acquired	Cumulative No. of Equity Shares sold/acquired	Cumulative amount paid/received for the Equity Shares
<b>Promoter &amp; Selling Shareholders - Anantharamaiah Panish</b>						
December 05, 2024	Transferor- Anantharamaiah Panish Transferee- Rama Subramanyam	1	0.0001	Nil	1	Nil
<b>Promoter &amp; Selling Shareholders - Gururaj Dambal</b>						
December 05, 2024	Transferor- Gururaj Dambal Transferee- Smita Dambal	1	0.0001	Nil	1	Nil
<b>Promoter &amp; Selling Shareholders - S. Vinod Kumar</b>						
December 05, 2024	Transferor- S Vinod Kumar Transferee- Nithya M	1	0.0001	Nil	1	Nil
<b>Promoter &amp; Selling Shareholders - K. N. Sreenath</b>						
December 05,	Transferor- K.N.	1	0.0001	Nil	1	Nil

Date of Secondary Sale/Acquisition	Name of Transferor and Transferee	No. of Equity Shares Sold/Acquired	% of paid-up capital	Price per Equity Shares sold/acquired	Cumulative No. of Equity Shares sold/acquired	Cumulative amount paid/received for the Equity Shares
2024	Sreenath Transferee- Usha G					
<b>Other Shareholders having the right to appoint nominee directors on the board of directors of the Company</b>						
	Nil	Nil	Nil	Nil		
Total		100		Nil		
Weighted average cost of transfer				Nil		

- c) Since there are no eligible transactions of our Company reported in (a) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Red Herring Prospectus is Rs. 10 per share.

#### 1) Weighted average cost of acquisition, Floor Price and Cap Price

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

Type of Transactions	Weighted average cost of acquisition (Rs. per Equity Shares)*	Offer Price
I. Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan / employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre- offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA	[●] times
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board area party to the transaction, during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition nor sale is equal to or more than five percent of the fully diluted paid-up share capital of the Company (calculated based on the pre- offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	Nil	[●] times
III. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below.	10.00	[●] times

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: September 20, 2025

To

**The Board of Directors**

**Avana Electrosystems Limited**

No. 8, Plot No.35, 1<sup>st</sup> Main Road,  
2<sup>nd</sup> Phase Peenya Industrial Area, Nelagadaranahalli Village,  
Peenya Small Industries, Bangalore – 560058.

AND

**Indcap Advisors Private Limited**

Suite 1201, 12<sup>th</sup> Floor, Aurora Waterfront,  
GN Block, Sector V, Bidhannagar– 700 091,  
West Bengal, India.

*(Indcap Advisors Private Limited referred to as the “Book Running Lead Manager”)*

Dear Sir,

**Sub: Proposed initial public offering of equity shares of face value Rs. 10 each (“Equity Shares”) by Avana Electrosystems Limited (“Company”) (referred to as the “Offer”).**

We hereby confirm that the enclosed Annexure 1 and 2 (together “the **Annexures**”), prepared by the Company, provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2024 circular and notifications issued from time to time, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

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

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

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

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

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

**For Vasanth & Co.,**  
**Chartered Accountants**  
ICAI Firm Registration No.: **008204S**

**N.Amarnath**  
**Partner**  
Membership No: **510064**  
Place: Bangalore  
Date:  
UDIN:

## **ANNEXURE-1**

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

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

The Company is not entitled to any special tax benefits under the Act.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

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

#### **Notes:**

- 1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.*
- 2. The above statement covers relevant direct and indirect tax law benefits and does not cover or benefit under any other law.*
- 3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
- 4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.*
- 5. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.*

*All the above benefits are as per the current tax laws and will be available to the all the shareholder. The above statement covers indirect tax law benefits and direct tax law benefits or benefits under any other law.*

## **ANNEXURE 2**

### **TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Goods and Service Tax (GST) Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

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

The Company is not entitled to any special tax benefits under the Goods and Service Tax.

#### **C. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

**Note:**

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

## SECTION V: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section pertaining to the Global Economy, Indian Economy and the Power Sector have been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Since the data under this section has been sourced from publicly available sources and not from a paid industrial report, this section does not include the threats and challenges faced by our Company.*

*We have made disclosures in the said chapter based on the relevant industry related data available online for which consents have been obtained. We have not independently verified such data. We have also included certain data by sourcing the same from Indian Electrical and Electronics Manufacturers' Association (IEEMA) after making necessary payment, for which specific consent has not been obtained. The section on the Indian Switchgear Industry has been derived from the Cover Story / Article in IEEMA Journal – December 2024 issue, which has been paid for and purchased by our Company. The data included herein may have been realigned by us for the purposes of presentation. There are no parts, data or information which may be relevant for the proposed Issue, that has been left out or changed in any manner.*

*Our Company is in the Electrical Equipment sector which is dependent on the Power Sector for its business and existence. Hence an analysis of the Power Industry is essential to understand the industry in which this Company operates on which the economic viability of our company is based.*

### GLOBAL ECONOMY

Since the April 2025 WEO, uncertainty has remained elevated even as effective tariff rates have come down. Most notably, China and the United States on May 12 agreed to lower for 90 days (until August 12) tariffs that had resulted from post-April 2 escalation. The US pause on higher tariffs for most of its trading partners is now set to expire on August 1, pushing back the original deadline of July 9. Letters issued by the US administration in July to some trading partners threaten to impose tariffs even higher than those announced on April 2. Legal proceedings are currently underway in the United States concerning the use of the International Emergency Economic Powers Act as a legal basis for the imposition of tariffs. Although the passage of the One Big Beautiful Bill Act (OBBBA) in July brought clarity to the near-term path of US fiscal policy, it has added to uncertainty about longer-term fiscal sustainability.

US equity markets have largely rebounded, erasing losses from the April 2 tariff fallout and reaching new heights. Other global equity markets have also rallied, swayed by tariff-related announcements and releases of macroeconomic data that turned out to be better than expected. Notably, the US dollar has depreciated further, defying expectations that tariffs and larger fiscal deficits would cause the currency to appreciate. Implied paths for policy rates have flattened for advanced economies, while continued dollar weakness has provided some monetary policy space for emerging market and developing economies. Yield curves have steepened in the context of fiscal concerns, although the steepening thus far is not unusual by historical standards despite very high debt and deficit levels in many countries.

With these forces in place, the global economy has continued to hold steady, but the composition of activity points to distortions from tariffs, rather than underlying robustness. Global growth in the first quarter of 2025 was 0.3 percentage point above that predicted in the April WEO. International trade and investment drove activity, while private consumption was more subdued across major jurisdictions. Real GDP decreased in the United States, at an annualized rate of 0.5 percent, marking the first quarterly contraction in three years. Consumer spending rose only by 0.5 percent, but this came after remarkably fast growth of 4.0 percent in the fourth quarter of 2024. Imports and business investment surged—especially in information processing equipment. Taken together, these patterns were consistent with aggressive front-loading by US firms and households ahead of expected higher prices induced by tariffs. In the euro area, GDP accelerated to 2.5 percent, driven by investment and net exports, even as private consumption lost steam. Ireland largely led the spurt, with growth shrinking to 1.4 percent when Ireland is excluded. China's real GDP growth, at an annualized rate of 6.0 percent, exceeded expectations. This was mainly driven by exports, propped up by a depreciating renminbi closely tracking the dollar and with declining sales to the United States more than offset by strong sales to the rest of the world (Figure 2), and, to a smaller extent, by consumption, supported by fiscal measures. Japan's economy contracted by an annualized 0.2 percent, as soft private consumption and weak net exports weighed on growth while strong private investment helped cushion the decline. Global trade grew robustly in the first quarter, but high-frequency indicators point to an unwinding of front-loading in the second quarter.

Global inflation is showing mixed signs. The global median of sequential headline inflation has increased a notch, but core inflation has eased considerably and is now below 2 percent. Several economies, including the euro area, have seen downside surprises. In the United States, inflation has ticked up, with tentative signs of pass-through from tariffs and a weaker dollar to consumer prices in some import-sensitive categories, and intermediate goods costs for producers have risen.

### **Crosscurrents Blur the Outlook**

IMF staff projections in this update are based on real-time current trade policy; that is, they assume that policies as they stand at the time of writing are permanent. This is the case even regarding measures that have been framed as temporary or pending, meaning that pauses on higher tariffs are assumed to remain in place past their expiration dates and higher rates are assumed not to take effect. The US effective tariff rate underlying the projections is 17.3 percent, compared with 24.4 percent in the April reference forecast. The corresponding effective tariff rate for the rest of the world is 3.5 percent, compared with 4.1 percent in the April reference forecast. Economic policy uncertainty is assumed to remain elevated this year and next. Prices for energy commodities are expected to fall by about 7 percent in 2025, less than projected in the April WEO. Oil prices increased materially during military strikes between the Islamic Republic of Iran and Israel in June, with the increase primarily reflecting higher risk premiums, because the physical supply of oil was not disrupted. This geopolitics-induced increase has now largely receded, and bearish fundamentals are back in focus, with strong supply from both inside OPEC+ (the Organization of the Petroleum Exporting Countries plus selected non-member countries, including Russia) and sources outside of OPEC+ outpacing tepid growth in demand. Prices for natural gas have remained relatively contained amid expectations of lower energy demand resulting from trade uncertainty, news of European Union plans for more flexible targets in regard to storage filling, and the prospects of ample increases in liquid natural gas supply in the medium term. Monetary policy rates in the United Kingdom and the United States are expected to decline in the second half of 2025, though at varying speeds, whereas the IMF staff expects the policy rate in the euro area to remain unchanged and that in Japan to rise gradually. Fiscal stimulus is anticipated in major economies in the near term, including China, Germany, and the United States. In the United States, the OBBBA is expected to increase the fiscal deficit by about 1.5 percentage points of GDP in 2026, with tariff revenues offsetting about half of this increase. In the medium term, despite back-loaded spending cuts and sizable tariff revenues, US fiscal deficits are projected to be larger than they were in the April WEO.

Global growth is expected to decelerate, with apparent resilience due to trade-related distortions waning. At 3.0 percent in 2025 and 3.1 percent in 2026, the forecasts are below the 2024 outcome of 3.3 percent and the pre-pandemic historical average of 3.7 percent, even though they are higher than the April reference forecast (Table 1; see also Annex Table 1). The upward revision for 2025 is quite broad based, because it owes in large part to strong front-loading in international trade as well as to a lower worldwide effective tariff rate than assumed in the April reference forecast and to an improvement in global financial conditions.

Still, the revision is more pronounced in some countries, such as China, than in others. Front-loading is expected to unwind in the coming quarters, with the payback weighing on activity in 2026 but offset by other developments, so growth overall is revised slightly upward.

Growth in advanced economies is projected to be 1.5 percent in 2025 and 1.6 percent in 2026. In the United States, with tariff rates settling at lower levels than those announced on April 2 and looser financial conditions, the economy is projected to expand at a rate of 1.9 percent in 2025. This is 0.1 percentage point higher than the April reference forecast, with some offset from private demand cooling faster than expected and weaker immigration. Growth is projected to pick up slightly to 2.0 percent in 2026, with a near-term boost from the OBBBA kicking in primarily through tax incentives for corporate investment. This is 0.3 percentage point higher than the April reference forecast. The IMF staff estimates that the OBBBA could raise US output by about 0.5 percent on average over the WEO horizon through 2030, relative to a baseline without this fiscal package.

In the euro area, growth is expected to accelerate to 1.0 percent in 2025 and to 1.2 percent in 2026. This is an upward revision of 0.2 percentage point for 2025, but it is largely driven by the strong GDP outturn in Ireland in the first quarter of the year, although Ireland represents less than 5 percent of euro area GDP. The upward revision for 2025 reflects a historically large increase in Irish pharmaceutical exports to the United States resulting from front-loading and the opening of new production facilities. Without Ireland, the revision would be only 0.1 percentage point. The forecast for 2026 is unchanged from that in April, with the effects of front-loading fading and the economy growing at potential. Revised defense spending commitments are expected to have an impact in subsequent years, given the projected gradual increase to target levels by 2035.

In other advanced economies, growth is projected to decelerate to 1.6 percent in 2025 and pick up to 2.1 percent in 2026. In some cases, currency appreciation offsets the favorable effects of more accommodative financial conditions, while the effective tariff rates are the same or slightly higher than in the April WEO reference forecast because of new tariffs imposed on imports of vehicle parts in May and a doubling of tariffs on steel and aluminum in June.



In emerging market and developing economies, growth is expected to be 4.1 percent in 2025 and 4.0 percent in 2026. Relative to the forecast in April, growth in 2025 for China is revised upward by 0.8 percentage point to 4.8 percent. This revision reflects stronger-than-expected activity in the first half of 2025 and the significant reduction in US–China tariffs. The GDP outturn in the first quarter of 2025 alone implies a mechanical upgrade to the growth rate for the year of 0.6 percentage point. A recovery in inventory accumulation is expected to partly offset payback from front-loading in the second half of 2025. Growth in 2026 is also revised upward by 0.2 percentage point to 4.2 percent, again reflecting the lower effective tariff rates. In India, growth is projected to be 6.4 percent in 2025 and 2026, with both numbers revised slightly upward, reflecting a more benign external environment than assumed in the April reference forecast.

In the Middle East and Central Asia, growth is projected to accelerate to 3.4 percent in 2025 and 3.5 percent in 2026. Growth is expected to be relatively stable in 2025 in sub-Saharan Africa at 4.0 percent, before picking up to 4.3 percent in 2026. In Latin America and the Caribbean, growth is projected to slow to 2.2 percent in 2025 and recover back to 2.4 percent in 2026. Growth in emerging and developing Europe is also expected to slow and remain sluggish at 1.8 percent in 2025 and 2.2 percent in 2026.

World trade volume is revised upward by 0.9 percentage point for 2025 and downward by 0.6 percentage point for 2026. The near-term offset provided by front-loading of some trade flows in view of elevated trade policy uncertainty and in anticipation of tighter trade restrictions is expected to fade in the second half of 2025, with the associated payback expected to materialize through 2026. A weaker dollar amplifies the tariff shock instead of absorbing it, leading to a positive impact of tariffs on the US current account balance, which the expansionary fiscal stance more than offsets. Over the medium term, expansionary fiscal packages in economies with current account surpluses are expected to contribute to declining global imbalances.

Global inflation is expected to continue to decline, with headline inflation falling to 4.2 percent in 2025 and 3.6 percent in 2026. This is virtually unchanged from the April WEO, with trends of cooling demand and falling energy prices remaining in place. The overall picture hides cross-country variation in forecasts, however. The tariffs, acting as a supply shock, are expected to pass through to US consumer prices gradually and hit inflation in the second half of 2025. Elsewhere, the tariffs constitute a negative demand shock, lowering inflationary pressures. Inflation is projected to remain above the 2 percent target through 2026 in the United States, whereas in the euro area inflationary dynamics are expected to be more subdued, in part on account of currency appreciation and one-off fiscal measures. Although headline inflation in China is projected to remain broadly unchanged from the forecast in April because domestic energy prices have been lower than forecast then, core inflation is revised upward slightly to 0.5 percent in 2025 and to 0.8 percent in 2026. These revisions reflect recent higher-than-expected readings and the reduced tariffs.

### **Risks on a Hazy Horizon**

Overall, risks to the outlook remain tilted to the downside, as in the April WEO. The precarious equilibrium of trade policy stances assumed in the baseline could be disturbed. The new equilibrium could be one with tariff rates similar to those today, or it could be one in which rates are much higher, negotiations break down, and an escalation of protectionist measures restarts. Resetting tariff rates to the levels of April 2 or higher (as mentioned in the US administration’s letters to trade partners) on August 1 and implementing tariffs as high as 50 percent on copper as currently pronounced would dampen global growth. By way of illustration, staff simulations suggest that global growth in 2025 would be roughly 0.2 percentage point lower if the maximum of April-2 tariff rates and tariff rates in the letters sent up to July 14 were to be implemented. Imposition of additional sectoral tariffs in areas such as electronics and pharmaceuticals could raise effective tariff rates and create bottlenecks that amplify the direct effect of higher tariffs. Nontariff measures targeting critical inputs could lead to dislocations in global supply chains. In the presence of strategic complementarities whereby price hikes by one firm increase the incentive for other firms to take similar action, the potential inflationary impact of additional tariffs and nontariff measures could prove to be significant and persistent. Even if tariff rates do not change relative to what is assumed in the baseline and no new protectionist measures are introduced, elevated trade policy uncertainty could start weighing more heavily on activity, as the current US deadlines for additional measures to take effect expire without lasting, comprehensive agreements. Firms’ investments in existing and new trade linkages may be affected, thus slowing down growth in trade and output, especially in export-oriented economies.

An escalation of geopolitical tensions, particularly in the Middle East or Ukraine, could introduce new negative supply shocks to the global economy. Shipping routes and supply chains may be disrupted while commodity prices rise, especially if, unlike what happened in June, supply infrastructure were to be damaged. These forces would lower growth and reignite inflationary pressures. Central banks could face more difficult trade-offs when they are already grappling with challenges from the trade environment.

Fiscal vulnerabilities could become more salient, with implications for financial markets and spillovers to the real economy. A number of economies, including Brazil, France, and the United States, are projected to run large fiscal deficits against the backdrop of historically high levels of public debt. This could raise term premiums and, especially

in the case of the United States, tighten global financial conditions. An increase in US term premiums led by concerns regarding fiscal sustainability could also make financial markets excessively volatile, especially if it interacts with concerns about geoeconomic fragmentation and the future of the international monetary system centered on the dollar (see the 2025 External Sector Report).

Front-loading has shaped economic activity in the first half of the year, creating exposures that could amplify the impact of any potential negative shocks. For instance, a possible inventory overhang could reduce import orders more than projected. Firms may be burdened with increased holding costs and potential losses from obsolescence, especially if demand for stockpiled goods does not materialize or financial conditions tighten.

On the upside, a breakthrough in trade negotiations establishing a predictable framework could lead to a further decline in effective tariff rates and other protectionist measures. By meaningfully bringing down uncertainty and fostering policy predictability, nondiscriminatory agreements to reduce trade barriers could facilitate investment and other business decisions. Their impact could be larger if, besides goods trade, they cover trade in digital services and foreign investment. In the longer term, benefits would accrue in the form of faster productivity growth and enhanced resilience to external shocks.

A new wave of credible trade agreements could usher in a broader reform momentum to lift medium-term growth. Progress on labor market policies for upskilling and a reduction of barriers to mobility, simplification of business regulations, and measures to enhance competition and innovation could become inevitable in a more challenging global economic environment.

### **Policies to Restore Confidence and Ensure Sustainability**

Countries should reduce policy-induced uncertainty by promoting clear and transparent trade frameworks. Pragmatic cooperation is paramount in instances in which some rules of the international trading system, in their current form, may not be functioning as intended. This entails the pursuit of multilateral initiatives on the global commons and modernizing trade rules where feasible while seeking plurilateral or regional solutions on other matters. Bilateral negotiations can help defuse trade tensions and should aim to reduce trade and investment barriers while not increasing them toward third parties, which could escalate tensions with other trading partners. Such negotiations should be pursued with the ultimate aim of addressing the root causes of tensions: specifically, excess external imbalances arising from internal policy choices (see the 2025 External Sector Report). This would involve identifying and taking steps to resolve the underlying distortions for a more durable solution. Broad subsidies and industrial policies aiming to protect exports can be costly and distortive. To minimize the risk of misallocation amid limited fiscal space, industrial policies should be targeted narrowly to resolve specific, well-identified externalities and market failures. Adopting a pragmatic cooperative approach to these policies could reduce negative spillovers among trading partners. More generally, international cooperation across various policy areas, including trade, industrial policies, and taxation, can mitigate cross-country spillovers and support vulnerable economies.

Restoring fiscal space and ensuring sustainable public debt is crucial, even while addressing critical spending needs. This requires credible medium-term fiscal consolidation with growth-friendly adjustments and a focus on rebuilding buffers. Countries should enhance fiscal revenues, improve spending efficiency, crowd in private sector investment, and use automatic stabilizers for negative demand shocks. Any new discretionary measures should be well targeted at those severely affected by trade disruptions and should be temporary with clear sunset clauses. Spending cuts elsewhere or new revenues should offset such measures, especially in countries with limited fiscal space.

Central banks must carefully calibrate monetary policies to country-specific circumstances to maintain price and financial stability amid prolonged trade tensions and evolving tariffs. In countries imposing tariffs on trading partners—either by initiating or by retaliating—these actions constitute supply shocks. Hence, central banks in these countries face a difficult trade-off between shielding the real sector and preventing the expected one-off increase in prices from turning into persistently higher inflation. The trade-off becomes more pertinent if inflation is already above target. Further easing of monetary policy should then depend on having convincing evidence that inflation and inflation expectations are heading decisively back to target. Countries that have not imposed tariffs, by contrast, face a demand shock. Central banks could, in this case, gradually reduce the policy rate.

The differing economic impact of tariffs across countries could complicate the trade-offs by introducing a divergence in monetary policy stances. Under normal circumstances, exchange rates should be allowed to adjust. The IMF's Integrated Policy Framework provides guidance tailored to country-specific conditions on appropriate policy responses if disruptive movements in foreign exchange and risk premiums take hold. In some cases, under such circumstances, at the same time as upholding appropriate monetary and fiscal policies, it may be suitable to implement temporary foreign exchange interventions or capital flow management measures.

In both tariffing and tariffed countries, elevated uncertainty and volatility require robust prudential policies to safeguard

financial stability. Crucially, the ambiguous and volatile landscape also requires clear and consistent messaging from central banks and the protection of central bank independence, not only in legal terms, but also in practice.

Amid continued elevated levels of uncertainty, more prominent use of scenario analysis can support macroeconomic policymaking. Contingency plans for different types of risks should be ready to be activated should any of those risks be realized.

Ultimately, lifting medium-term growth prospects is the only sustainable way to ease macroeconomic trade-offs. Enduring structural reforms in areas such as labour markets, education, regulation, and competition can boost productivity, potential growth, and job creation. In addition, measures fostering technological advancements, including digitalization and the adoption of artificial intelligence, can further enhance productivity and potential growth.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>)

## INDIAN ECONOMY – AN OVERVIEW

India's economic journey over the past few years has been marked by remarkable growth and a steady rise in its position on the global stage. After overtaking the United Kingdom (UK) to become the fifth largest economy in Q1 FY23, India has continued this upward trajectory to surpass Japan in June 2025 to become the fourth largest economy in the world. With a nominal Gross Domestic Product (GDP) of Rs. 3,31,03,000 crore (US\$ 3.78 trillion), India's growth reflects a combination of strong domestic demand and policy reforms positioning the country as a key destination for global capital.

Further, India is projected to reach a GDP of Rs. 4,26,45,000 crore (US\$ 5 trillion) by 2027 and is on course to surpass Germany by 2028. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

India's economy shows robust expansion, with real GDP for FY25 estimated at Rs. 1,87,97,000 crore (US\$ 2.20 trillion), from Rs. 1,76,51,000 crore (US\$ 2.06 trillion) in FY24 with a growth rate of 6.5%. This growth is driven by rising employment and stronger private consumption, supported by improving consumer sentiment, which is expected to keep the momentum going in the near future.

Trade remains a critical pillar of India's growth story with exports reaching Rs. 37,31,000 crore (US\$ 436.6 billion) in FY25, led by Engineering Goods (26.88%), Petroleum Products (13.86%) and Electronic Goods (8.89%). These exports helped the economy stay resilient during the pandemic when other sectors slowed. Union Minister of Commerce and Industry, Mr. Piyush Goyal projects exports to reach Rs. 85,44,000 crore (US\$ 1 trillion) by 2030.

India's ability to attract Foreign Direct Investment (FDI) has also strengthened. The country received record FDI inflows amounting to Rs. 4,21,929 crore (US\$ 49.3 billion) in FY25 a 15% increase over FY24, supported by a stable policy environment, a large domestic market and steady economic growth positioning the country as a key destination for global capital. This capital inflow also complements government plans for increased investment in infrastructure and asset-building projects to further boost economic growth.

India's external economic position is improving. The current account deficit narrowed to Rs. 1,98,726 crore (US\$ 23.30 billion), or 0.6% of GDP, in FY25 from Rs. 2,21,754 crore (US\$ 26.00 billion), or 0.7% of GDP, in FY24. This improvement was due to higher net receipts from services and secondary income, according to the Reserve Bank of India (RBI).

## Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With India's economy showing resilient growth, supported by strong domestic demand, policy reforms, and a healthy investment pipeline, several new projects and developments are underway across key sectors. This positive development across key sectors is evident from following key economic data points.

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India's cumulative FDI inflow stood at Rs. 91,45,988 crore (US\$ 1.07 trillion) between April 2000-March 2025 with major share coming from Mauritius at Rs. 15,36,849 crore (US\$ 180.19 billion) with a total share of 25%, followed by Singapore at 24% with Rs. 14,91,603 crore (US\$ 174.88 billion), the United States (US) at 10% with Rs. 6,02,574 crore (US\$ 70.65 billion), the Netherlands at 7% with Rs. 4,54,613 crore (US\$ 53.3 billion), and Japan at 6% with Rs. 3,78,653 crore (US\$ 44.39 billion).
- As of July 4, 2025, India's foreign exchange reserves stood at Rs. 59,68,048 crore (US\$ 699.74 billion).

- In May 2025, private equity (PE) and venture capital (VC) investments reached Rs. 20,470 crore (US\$ 2.4 billion) across 97 deals.
- Foreign Institutional Investors (FII) outflows in FY25 were close to Rs. 1,27,000 crore (US\$ 14.89 billion), while Domestic Institutional Investors (DII) bought in Rs. 6,00,000 crore (US\$ 70.34 billion) in the same period.
- The HSBC India Manufacturing Purchasing Managers' Index (PMI) rose to a 14-month high of 58.4 in June 2025 from 57.6 in May, indicating a strong improvement in manufacturing conditions. Robust domestic and international demand drove sharp increases in output and new orders, while employment saw a record rise as firms expanded their workforce to meet rising workloads. New export orders surged, marking the third-fastest growth since the survey began in 2005. Although input cost inflation eased, producer prices increased as companies passed on higher freight and labour costs to customers.
- India saw a robust 10.35% growth in passengers carried by domestic airlines at 431.98 lakh in FY25, from 391.46 lakh in FY24, according to the Directorate General of Civil Aviation (DGCA).
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks third position in the global number of scientific publications.
- In FY25, the Goods and Services Tax (GST) recorded its highest-ever gross collection at Rs. 22,08,000 crore (US\$ 258 billion), registering a YoY growth of 9.4%. The average monthly collection stood at Rs. 1,84,000 crore (US\$ 21.57 billion).
- In May 2025, the overall Index of Industrial Production (IIP) stood at 156.6 (base 2011–12 = 100), reflecting a YoY growth of 1.2%. The mining, manufacturing and electricity sectors stood at 136.6, 154.3 and 216, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) - Combined inflation was 3.34% in March 2025 against 4.85% in March 2024.
- India's wheat procurement for FY26 has reached 29.7 million tonnes as of May 22, 2025, the highest in four years and up 13.5% YoY. Strong production of 115.43 million tonnes, favourable weather, and bonuses above the Minimum Support Price (MSP) in key states have driven this growth. The Food Corporation of India expects procurement to hit 32.5 million tonnes by season end, raising stocks to 44 million tonnes, well above the 18.4 million tonnes needed for the Public Distribution System.

## Government Initiatives

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

- On July 5, 2025, the Union Cabinet approved the Rs. 1,00,000 crore (US\$ 11.72 billion) Research, Development and Innovation (RDI) Scheme, launching long-term, low- or zero-interest funding via a special purpose fund under the ANRF to jump-start India's R&D ecosystem and support deep-tech and startup innovation.
- On March 27, 2025, the Reserve Bank of India proposed doubling the investment cap for individual foreign investors in listed firms from 5% to 10%, with a combined foreign individual limit increasing to 24%, to counter Foreign Portfolio Investment (FPI) outflows.
- According to a report by Wood Mackenzie in January 2025, India, the US, and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32,07,000 crore (US\$ 375 billion) and Rs. 48,21,000 crore (US\$ 564 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, one crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with Micro, Small and Medium Enterprises (MSME) value chains.

- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1,309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.

## Road Ahead

India's economy grew by 6.5% in FY25. With a 7.4% growth rate in Q4 FY25, with RBI projecting a growth rate of 6.5% in FY26 as well. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. In 2024, India rose to 15th place globally in FDI rankings and retained its position as South Asia's top recipient.

In H1 FY25, India's growth-focused approach was underscored by the government's capital expenditure outlay of Rs. 15,02,000 crore (US\$ 176 billion), reinforcing its commitment to infrastructure-led development.

In the Union Budget of FY26, capital expenditure took lead by steeply increasing the capital expenditure outlay by 10% to Rs. 11,21,000 crore (US\$ 131 billion) over Rs. 10,18,000 crore (US\$ 119 billion) in FY25. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

India's total goods and service exports surged by 76% over the past decade, touching Rs. 70,36,425 crore (US\$ 825 billion) in FY25, driven by strong performance in engineering goods, electronics, and pharmaceuticals. With a reduction in port congestion, supply networks are being restored.

With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## POWER SECTOR IN INDIA

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. The fundamental principle of India's power industry has been to provide universal access to affordable power in a sustainable way. The Ministry of Power has made significant efforts over the past few years to turn the country from one with a power shortage to one with a surplus by establishing a single national grid, fortifying the distribution network, and achieving universal household electrification.

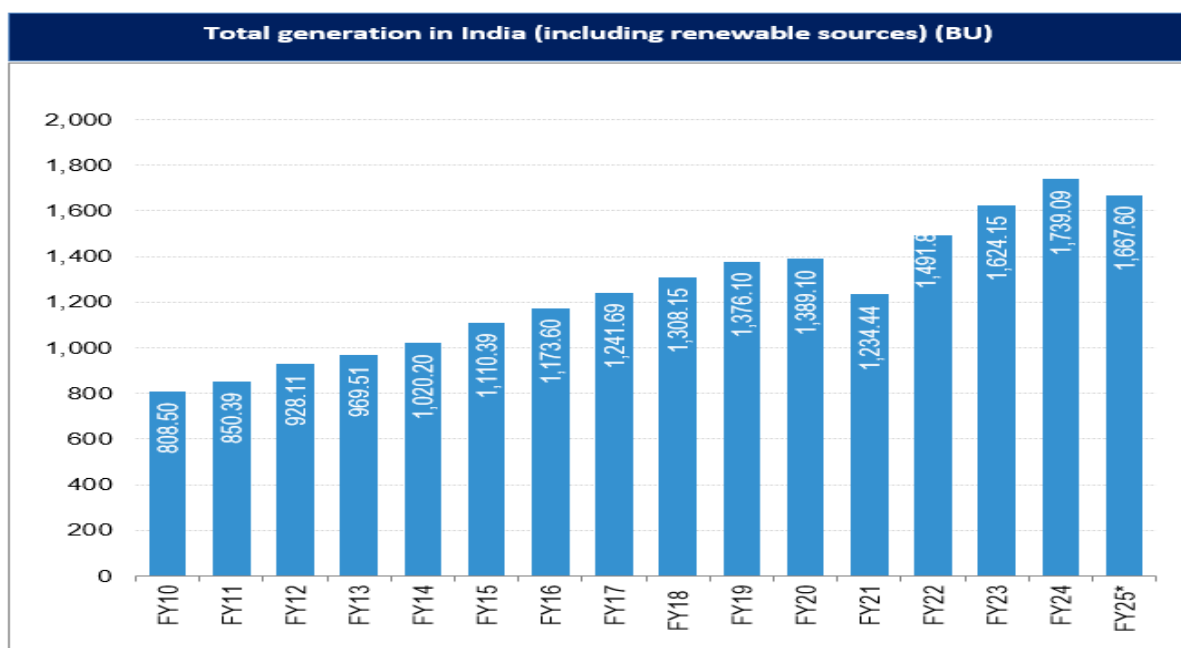


India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, agricultural, and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India was ranked fourth in wind power capacity and solar power capacity and fourth in renewable power installed capacity, as of 2021. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

India's energy demand is expected to grow in the range of 6-6.5% over the next five years.

## MARKET SIZE



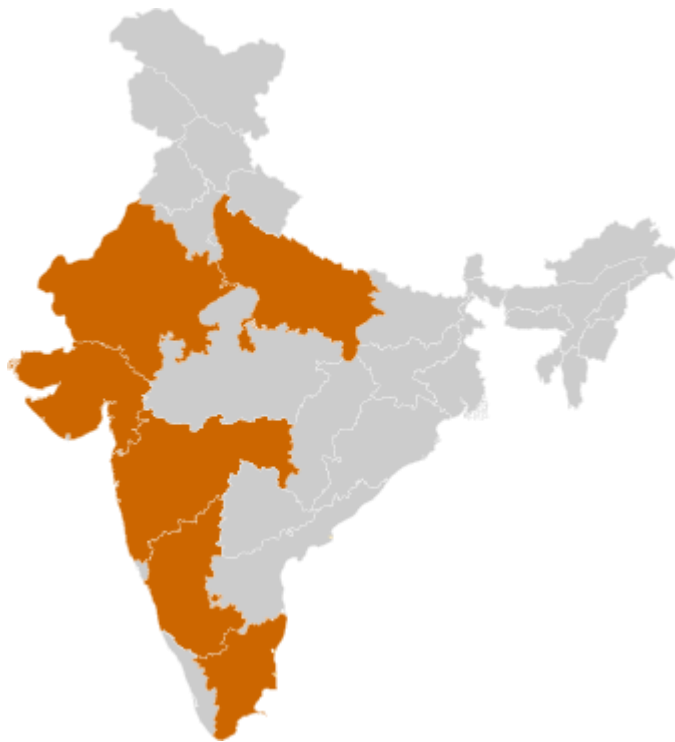
**Source:** Ministry of Power, (\*- Until February 2025)

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 472.46 GW as of April 30, 2025.

As of April 30, 2025, India has a total installed capacity of 223.62 GW for renewable energy sources, including large hydropower. The breakdown is as follows: Wind power at 51.05 GW, solar power at 107.94 GW, biomass/co-generation at 10.74 GW, small hydro power at 5.10 GW, waste to energy at 0.85 GW, and large hydro at 47.92 GW. This diverse mix highlights India's significant strides in expanding renewable energy infrastructure for a more sustainable energy future.

India's power generation witnessed its highest growth rate in over 30 years in FY23. Power generation in India increased by 6.80% to 1,452.43 billion kilowatt-hours (kWh) as of January 2024. According to data from the Ministry of Power, India's power consumption stood at 1,503.65 BU in April 2023.

### Top Power Producing States in India



- Gujarat
- Maharashtra
- Tamil Nadu
- Rajasthan
- Karnataka
- Uttar Pradesh

### Advantage India

#### a. Growing Demand

- Growing population along with increasing electrification and per-capita usage to provide further impetus.
- The all-India peak power demand in FY26 is expected to be 277 GW. In FY25, India consumed 1,694 billion units of electricity, an increase of 33% over FY21, translating into a 5-year CAGR of 7.4%.
- India ranked fourth in the list of countries to make significant investments in renewable energy by allotting US\$ 77.7 billion between 2015 and 2022.
- India has committed to augment non fossil fuel based installed electricity generation capacity to over 5,00,000 MW by 2031-32.
- India's energy demand is expected to grow in the range of 6-6.5% over the next five years.

#### b. Higher Investment

- The nation plans to invest Rs. 9,15,920 crore (US\$ 107 billion) by 2032 to develop additional transmission lines, supporting its goal to nearly triple its clean power capacity.
- India's energy storage sector is poised to attract an investment of Rs. 4,79,000 crore (US\$ 56.07 billion) by 2032, as per the India Energy Storage Alliance (IESA).
- Avaada Group announced on April 29, 2025, that it has signed an initial agreement with the Maharashtra government to develop two pumped storage projects in the state, with a combined capacity of 3,600 megawatts (MW). The projects, which include the 2,400 MW Pawana Falyan and the 1,200 MW Sirsala, will require a cumulative investment of Rs. 15,100 crore (US\$ 1.77 billion)

#### c. Growth Opportunities

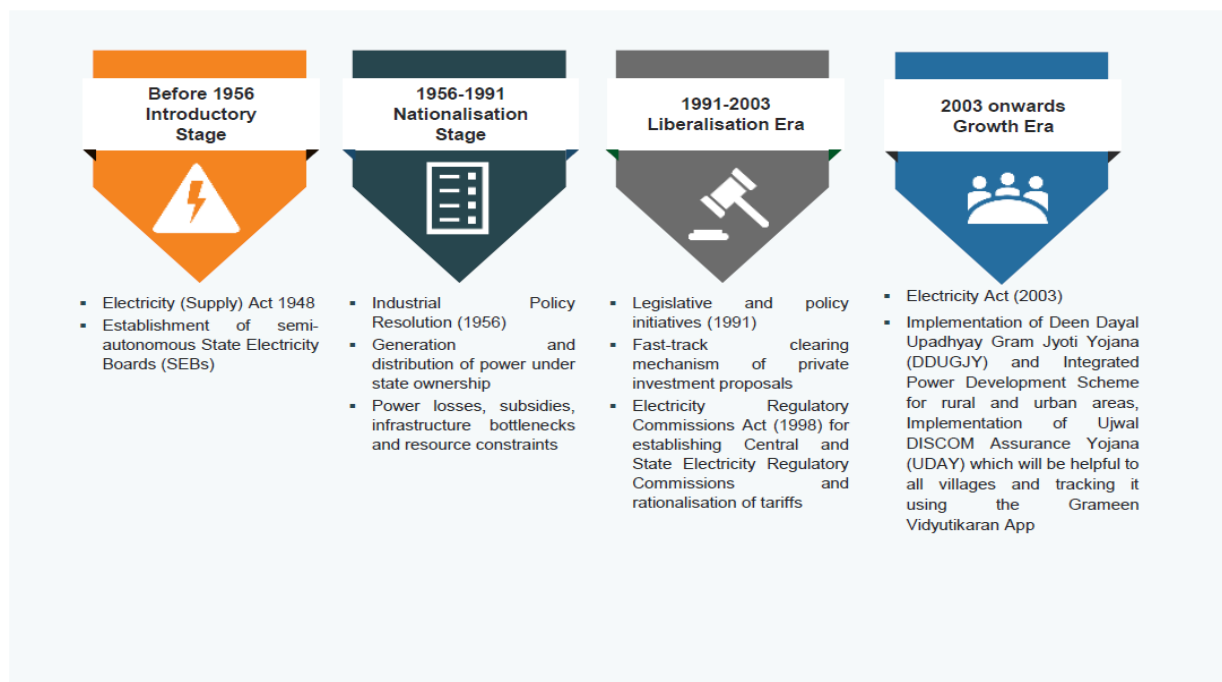


According to a report by Motilal Oswal, the Indian power sector presents an investment opportunity worth Rs. 40,00,000 crore (US\$ 461.95 billion) over the next decade, driven by rising demand, infrastructure upgrades, and the transition to clean energy.

Renewable energy and transmission infrastructure offer attractive prospects, such as Power Grid's Rs. 2,00,000 crore (US\$ 23.10 billion) capital expenditure (capex) opportunity.

India's wind energy sector is making significant strides towards achieving the ambitious target of 100 GW of production by 2030, according to the Indian Wind Turbine Manufacturers Association (IWTMA).

## EVOLUTION OF THE INDIAN POWER SECTOR



## POWER GENERATION HAS GROWN RAPIDLY OVER THE YEARS

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 472.46 GW as of April 30, 2025. Although, power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity.

Over the next decade, India plans to invest Rs. 42,00,000 crore (US\$ 488.37 billion) to upgrade its power sector—modernizing renewable energy, battery storage and transmission networks to meet rising demand.

In the next five years, India aims to add 250 GW of new power generation capacity—a threefold increase from the previous period—driving its clean energy transformation.

Union Budget 2025-26, allocated Rs. 48,396 crore (US\$ 5.63 billion) to the power sector—a 30% increase over the previous year with Rs. 21,847 crore (US\$ 2.54 billion) directed to the power ministry and Rs. 26,549 crore (US\$ 3.09 billion) to the Ministry of New and Renewable Energy.

The Union Budget of 2025-26 has allocated Rs. 1,500 crore (US\$ 174.4 million) to the solar power (grid) segment, reinforcing India's commitment to renewable energy transition.

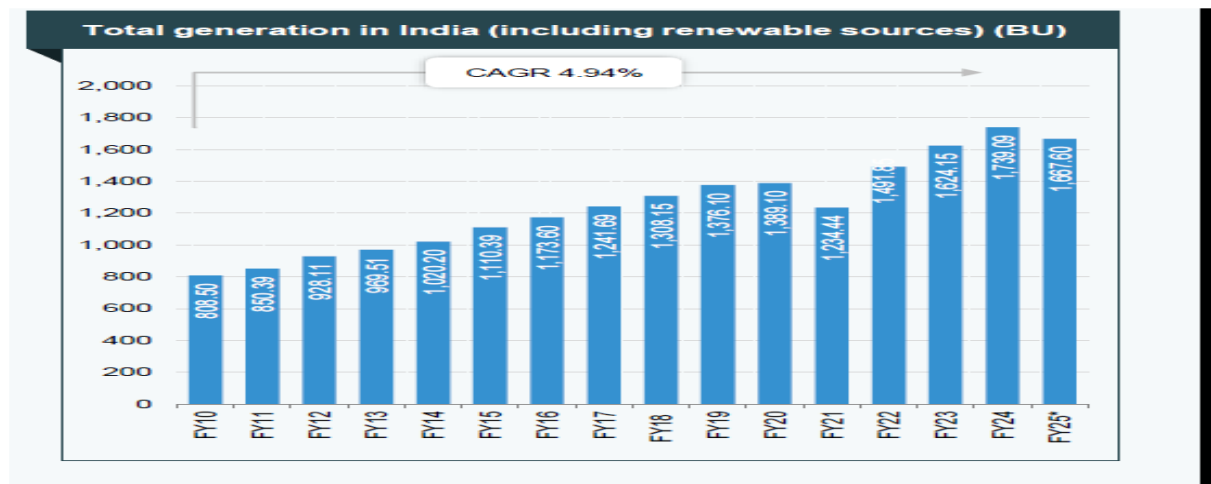
In the Union Budget 2022-23, the government allocated Rs. 7,327 crore (US\$ 885 million) for the solar power sector including grid, off-grid, and PM-KUSUM projects.

For FY24, the electricity generation target from conventional sources has been fixed at 1,750 BU, comprising 1,324.11 BU of thermal energy, 156.70 BU of hydro energy, 46.19 BU of nuclear energy, 215 BU of RES (excluding hydro), and 8 BU to be imported from Bhutan.

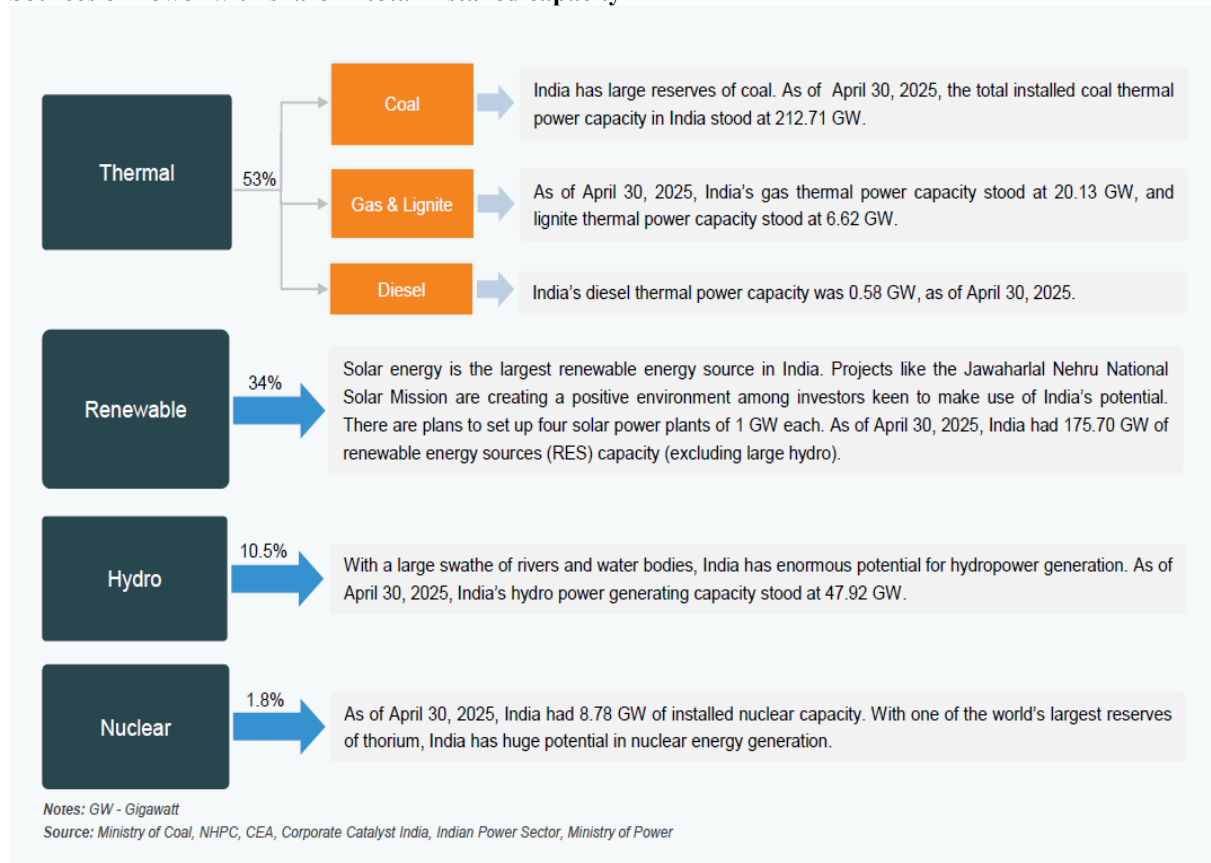


India's power consumption grew over 8 to 127 79 BU in February 2024 as compared to the year ago period, according to government data

The Nathpa Jhakri Hydro Electricity Station of Satluj Jal Vidyut Nigam (has set a new monthly power generation record, increasing from 1 213 10 million units to 1 216 56 million units on July 31 2021

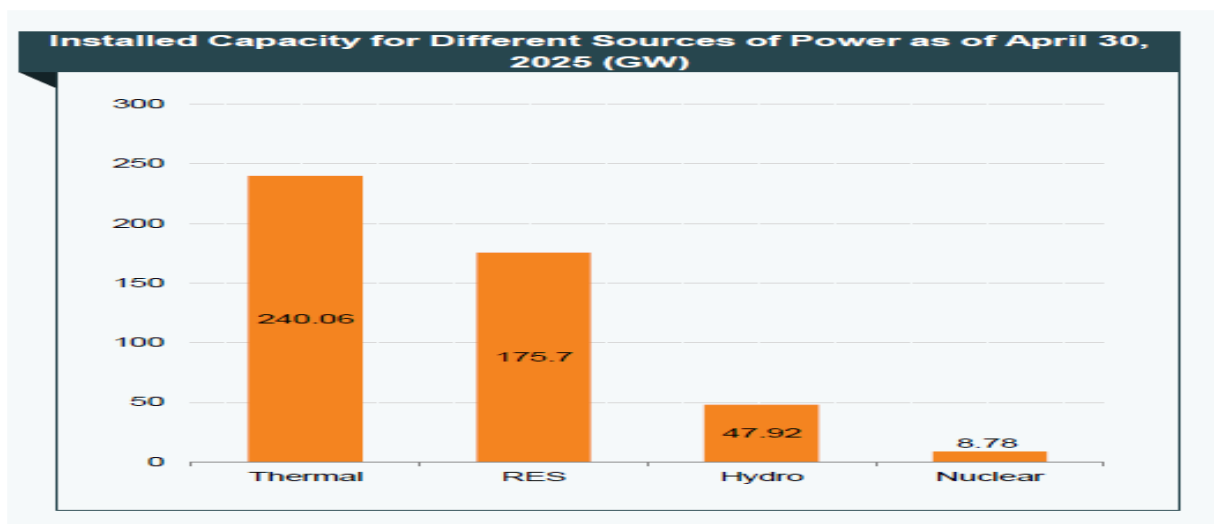


### Sources of Power with share in total installed capacity

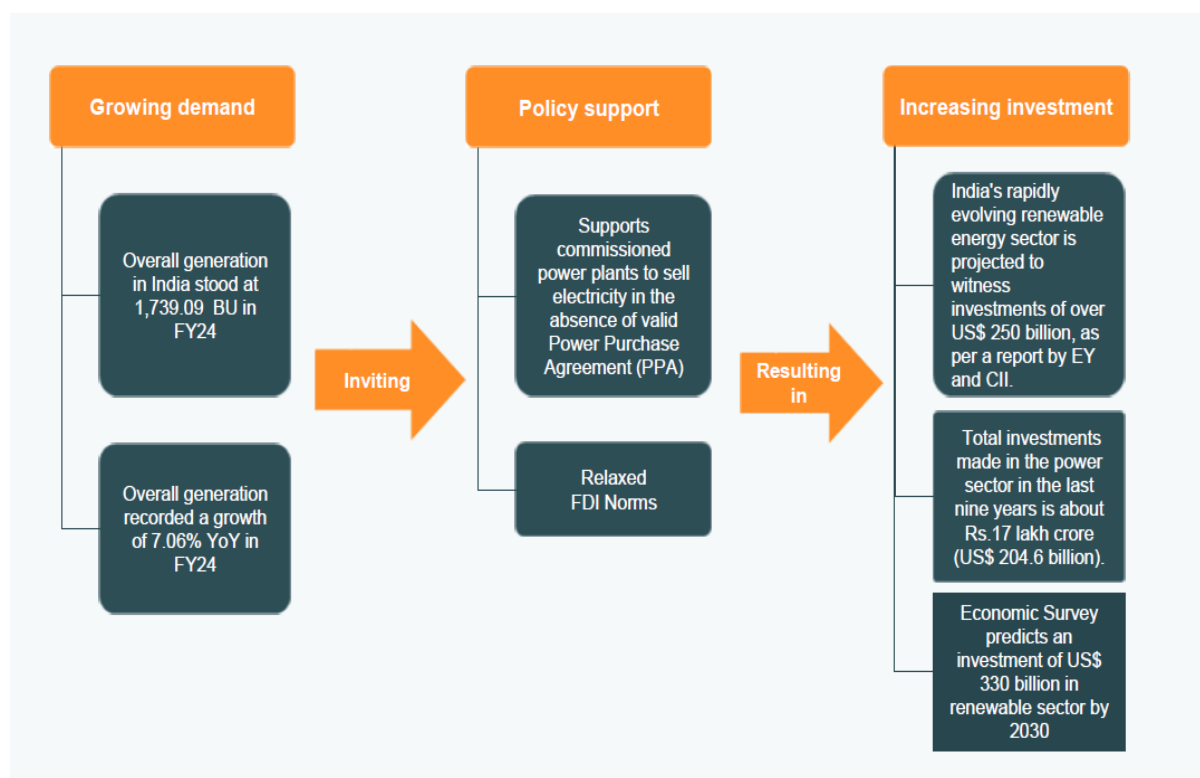


In order to further sustainable development and people's wellbeing, Prime Minister Mr Narendra Modi launched PM Surya Ghar Muft Bijli Yojana. This project, with an investment of over Rs 75000 crore (US 9 billion), aims to light up one crore households by providing up to 300 units of free electricity every month. On March 10 2024 NTPC signs agreement with Rajasthan Rajya Vidyut Utpadan Nigam (for adding supercritical units and reducing electricity generation cost of Chhabra Thermal Power Plant. NTPC generated 399 BU in FY 23 an increase of 11 over the previous year.

Looking towards the future, the coal sector aims to ramp up renewable energy capacity to over 9 GW by the year 2030. Thermal plant load factor or capacity utilisation is expected to remain healthy at 70 in FY 25 on power demand growth of 6 as per ICRA.



## GROWTH DRIVERS IN POWER SECTOR IN INDIA



## Policy Support and Initiatives

### 1. National Policy on Biofuels 2018

- In May 2022, the Government of India approved the Amendment to the National Policy on Biofuels 2018.
- The advantages of this policy were linked to improved health, a cleaner environment, job creation, decreased import reliance, and increased investment in infrastructure in rural regions. The proposed amendment will facilitate the "Make in India" initiative.

### 2. Ultra Mega Power Projects (UMPPs)

- Launch of UMPP scheme through tariff based competitive bidding.
- Ease of land possession, provision of fuel, water and necessary clearances for enhancing investor confidence.

### 3. R-APDRP

- Linking disbursement of Central Government funds (to states) with actual reduction in transmission and distribution losses. Sanctioned projects of more than US\$ 5.8 billion.

#### **4. Saubhagya Scheme**

- The Pradhan Mantri Sahaj Bijli Har Ghar Yojana, “Saubhagya” was launched by the Government of India with an aim of achieving universal household electrification. As of March 2023, 2.86 crore households have been electrified under this scheme.
- The total financial outlay of the project was Rs. 16,320 crore (US\$ 2.19 billion) while the gross budgetary support (GBS) was Rs. 12,320 crore (US\$ 1.65 billion).

#### **5. Unnat Jyoti by Affordable LEDs for All (UJALA) and Street Lighting National Programme (SLNP)**

- As of August 24, 2022, over 36.86 crore LED bulbs, 72.18 lakh LED tube lights and 23.59 lakh energy efficient fans have been distributed across the country, saving around 48,411 million kWh per year and around Rs. 19,332 crore (US\$ 2.47 billion) in cost savings.

#### **6. Loans**

- In February 2022 a parliamentary standing committee recommended the government to take steps to increase the loan limit for renewable energy sector under priority sector lending. The current limit stands at Rs 30 crore (US\$ 3.93 million).
- In December 2021 West Bengal got a loan approval for US 135 million from the International Bank for Reconstruction and Development (also called the World Bank) to improve the operational efficiency and reliability of electricity supply in select regions in the state. Increasing investments : FDI Flows and Domestic Investment.

#### **7. Energy Conservation Campaign**

- Replacing nationwide streetlights with LED lights. Plan to save 10% energy that would light up 11 crore lives. Replacing 1 crore bulbs in Delhi within one year.

#### **8. Union Budget 2025-26**

- The 2025-26 Budget allocates Rs. 48,396 crore (US\$ 4.36 billion) to the power sector, boosting rooftop solar funding by 80%, and dedicating Rs. 16,021 crore (US\$ 1.86 billion) to modernizing the grid with

#### **9. Tariff**

- Solar tariffs in India have reduced from around Rs. 7.36/kWh (10 cents/kWh) in FY15 to Rs. 2.45/kWh (3.2 cents/kWh) in July 2021. Smart meters and infrastructure upgrades.

#### **10. Boost to manufacturing**

- To create potential for domestic manufacturers and developers, the Government will auction 40 GW of renewable energy projects, including 30 GW solar and 10 GW wind, every year until 2028.
- 70% of equipment used for generation of wind power is manufactured in India.

#### **11. Smart Meter**

- Under the Union Budget 2020-21, the government has set a target of installing smart electricity meters in all households across the country by 2023.
- As of November 2022, over 51.62 lakh smart meters have been deployed under the National Smart Grid Mission (NSGM), with a further 61.13 lakh to be deployed.

#### **12. India Energy Modelling Forum (IEMF)**

- In October 2020, the government announced a plan to set up an inter ministerial committee under NITI Aayog to forefront research and study on energy modelling. This, along with a steering committee, will serve the India Energy Modelling Forum (IEMF), jointly launched by NITI Aayog and the United States Agency for International Development (USAID).

#### **13. Direct Benefit Transfer (DBT) Scheme**

- Union and State Governments have agreed to implement Direct Benefit Transfer (DBT) scheme in the electricity sector for better targeting of subsidies.

#### **14. Vision ‘24x7 Power for All’**

- All the States and Union Territories of India were on board to fulfil the government’s vision of ensuring 24 x 7 affordable and quality power for all, as per the Ministry of Power and New Renewable Energy, Government of India

#### **15. No environment clearance required for solar projects**

- The Ministry of Environment, Forest and Climate Change, Government of India, has clarified that solar PV (photovoltaic) power, solar thermal power projects, and solar parks will not require the environmental clearance which was mandatory under the provisions of Environment Impact Assessment (EIA) notification, 2006.

#### **16. Green Energy Corridor Project**

- The Green Energy Corridor projects have been initiated to facilitate renewable power evacuation and reshaping the grid for future requirements.
- As on October 2022, 8,651 ckm of intra state transmission lines have been constructed and 19,558 MVA intra state substations have been charged

#### **17. Rooftop solar**

- In the Union Budget 2025 26 the government boosted its flagship rooftop solar initiative, PM Surya Ghar Muft Bijli Yojana, by allocating Rs 20 000 crore (US 2 33 billion) an 80 increase to fast track the deployment of rooftop solar projects
- To encourage rooftop solar (throughout the country, Ministry New and Renewable Energy has developed a National Portal wherein any residential consumer from any part of the country can apply for rooftop solar without waiting for Discom to finalize tender and empanel vendors
- The government aims to power one crore homes by FY 27 Gujarat leads with 3 51 lakh solar powered households 18 14 followed by Maharashtra (1 92 lakh, 22 79%) Uttar Pradesh (75.602 8 69%) Kerala (65.423 7.73%) and Rajasthan 26.622 3.14%)

#### **18. National Electricity Policy 2021**

- In April 2021, the Ministry of Power (MoP) released the draft National Electricity Policy (NEP) 2021.
- The MoP has created an expert committee, including members from state governments, the Ministry of New and Renewable Energy (MNRE), NITI Aayog and the Central Electricity Authority (CEA).

#### **19. PLI Scheme**

- In November 2021 the government announced future plans to increase the funding under the PLI scheme for domestic solar cells and module manufacturing to Rs 24 000 crore (US 3 17 billion from the existing Rs 4 500 crore (US 594 68 million) to make India an exporting nation
- Production Linked Incentive Scheme (Tranche II) on ‘National Programme on High Efficiency Solar PV Modules’, with an outlay of Rs 19 500 crore (US 2 35 billion) was approved and launched

#### **20. Hydroelectric Power**

- The government has spent US 4 63 billion on hydroelectric projects to provide electricity to villages in Jammu and Kashmir between 2018-21

#### **21. National Bioenergy Programme**

- The Government launched the National Bioenergy Programme on November 2 2022
- The programme has been recommended for implementation in two phases The Phase I of the programme has been approved with a budget outlay of Rs 858 crore (US 103 million)
- The sub schemes of the programme are Waste to Energy Programme, Biomass Programme, and Biogas Programme

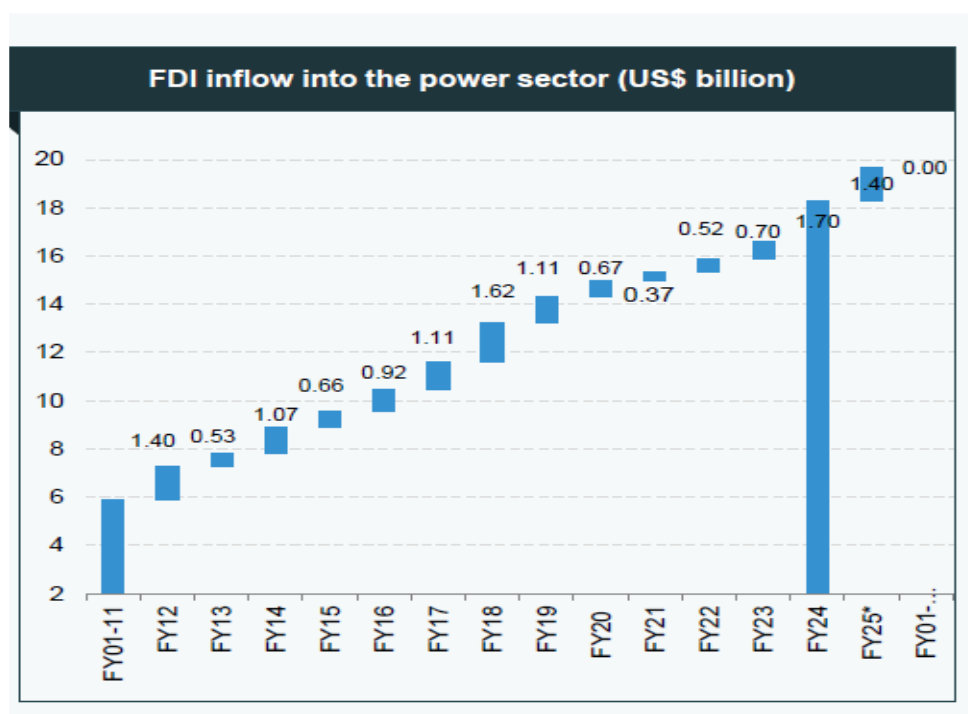
#### **22. 500GW Nonfossil Fuel Target**

- Government of India has set a target for establishing 50 cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030
- The Government of India has approved new Inter State Transmission System (schemes to evacuate 9 GW of RE power from Rajasthan and Karnataka These schemes will be implemented through Tariff Based Competitive Bidding (mode These schemes are part of 500 GW RE capacity by 2030 out of which 200 GW is already connected

## INCREASING INVESTMENTS: FDI INFLOW AND DOMESTIC INVESTMENTS

Power is one of the key sectors attracting FDI inflow into India, and it accounted for about 2.74% of the total FDI inflow until December 2024. From April 2000 December 2024 India recorded FDI inflow worth Rs 1,82,012 crore (US 21 33 billion) in the non-conventional energy sector. Total FDI inflows in the power sector reached Rs 1,67,926 crore (US\$19.68 billion) between April 2000 December 2024 accounting for 2.74% of the total FDI inflow in India. In 2023-24 India's renewable energy sector received Rs 32141 crore (US 3 7 billion) in foreign investment. Eco Wave Power, an onshore wave energy technology company, has signed a memorandum of understanding (with Bharat Petroleum) to harness India's wave energy potential, estimated at 40,000 MW.

Mumbai headquartered Essar Group has formed the Essar Energy Transition (with the objective to invest a total of US 3 6 billion in developing a range of low carbon energy transition projects over the next five years. Renew Power is planning to develop renewable energy projects in Maharashtra across wind, solar, hybrid power, battery storage and green hydrogen, at an investment of Rs 50,000 crore (US 6.39 billion) over the next six years. In September 2021 the Government of the UK announced that it will invest US \$ 1.2 billion through public and private investments in green projects and renewable energy in India to support the latter's target of 450 GW of renewable energy by 2030.



## Conclusion

In the current decade 2020 2029 the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. Demand for electricity is expected to increase per capita consumption of electricity is estimated to stand at 1,824 TWh by FY 27. The all-India peak power demand in FY 26 is expected to be 277 GW In FY 25 India consumed 1 694 billion units of electricity, an increase of 33 over FY 21 translating into a 5-year CAGR of 7. 4%. Current production levels are not enough to meet demand annual demand outstrips supply by about 7 5%.

Various reforms being undertaken by the government are positively impacting India's power sector In the wake of the surging domestic coal production, the country's power sector is becoming increasingly stable. Non coking coal consumption is forecast to grow at a CAGR of 5 4% to reach 1.076 MT in FY 23 from 826 MT in FY 18. Domestic supply is forecast to reach 931 MT in FY 23 from 664 MT in FY 19 growing at a CAGR of 7%. In order to decarbonise energy consumption, India needs a 30-fold increase in renewable energy, 30-fold increase in nuclear energy and doubling of thermal energy, which would make 70 of energy consumed carbon free. In November 2021 Energy Efficiency Services Limited stated that it will partner with private sector energy service companies to scale up its Building Energy Efficiency Programme (BEEP).

## INDIAN SWITCHGEAR INDUSTRY

The rockstar of a circuit breaker, an orchestra of electrical disconnects, fuses with circuit breaking, isolating and de-energising electrical equipment, allowing work to progress by clearing faults downstream—presenting ‘Switchgears’, indispensable not only in transmission and distribution of power but wherever there is a need to access and control electricity; and now, with recent indications, adding monitoring and signalling too as becoming integral parts of switchgears.

### Switchgear Industry Status

India currently represents about 7.2% of the total manufacturing segment in India’s GDP and 45% share in the capital goods sector. The switchgear industry in India manufactures the A to Z of circuit breakers from bulk oil, minimum oil, air blast, vacuum and sulphur hexafluoride all these as per standard specifications in the entire voltage range from 240V to 800 KV. IEEMA’s two dedicated divisions, the Low Voltage Switchgear Division and the High & Medium Voltage Switchgear Division, represent this segment of the industry, producing and supplying switchgear and related items needed by the power industry and the industrial sector.

Overall, the electrical and allied electronics industry accounts for over 2.2 million (Mn) jobs in India. India has emerged as the fifth largest economy in the world with a projected GDP of USD 3.7 trillion for FY 2024. It is on track to become the third largest economy by FY 2027, with a GDP of USD 5 trillion (Tn), and potentially USD 10.4 trillion and USD 30 trillion by FY 2034 and FY 2047, respectively.

### Low-Voltage Industry Update

India’s low-voltage switchgear industry has been experiencing a positive trajectory in recent years, with a growth rate of 13% over last year (FY22-23). It is driven by several factors, such as industrial growth, increasing demand for electricity, infrastructure development, and government initiatives focused on energy, efficiency and renewable energy. Rapid growth in the power distribution sector and infrastructure development, renewable energy integration, smart grid initiatives with integration of smart monitoring and control equipment are expected to fuel the growth of the India Switchgear market for the next 6-7 years.” The switchgear industry in India plays a crucial role in the electrical power generation, transmission and distribution sectors. However, the switchgear industry is well supported by new emerging markets like solar, hydrogen, battery storage and EV.

Just as the electrical power grid is evolving towards digitisation, traditional switchgear too is going through a significant transformation to adopt a digital identity — a smarter version. Traditional switchgear is evolving into “smart” systems, incorporating advanced digital technologies to enhance performance, efficiency, and reliability. Low-voltage switchgear ensures a stable and reliable power supply, while smart switchgear systems are more efficient in all spheres of functionality, including maintenance, time, functionality, efficiency, etc. Increasing adoption of smart switchgear systems is an industry trend that’s picking up fast.

A smart switchgear is equipped with the latest digital communication abilities that enable real-time monitoring, control, and diagnostics. These technological marvels are integrated with the Internet of Things (IoT) and advanced data analytics conceding predictive maintenance and reducing downtime and cost of operations.

### Manufacturing Trends & Challenges

Adopting smart switchgear technology enhances the reliability and efficiency of the grid. It also provides better insights into power distribution networks. Manufacturers of switchgear face several significant challenges as they strive to meet the growing demand for reliable and advanced electrical systems across various industry segments. With strategic investments in innovation, R&D, and skilled workforce development, coupled with collaboration with global partners and alignment with government initiatives, these challenges can be turned into opportunities. As India’s infrastructure and industrial base continue to expand, the demand for advanced switchgear solutions will likely grow. This will provide significant opportunities for manufacturers who can adapt and innovate to meet these evolving needs.

### Emerging Trends in LV Switchgear - Considering the Evolving PQ Scenario

Though there have been changes in the contact metallurgy, dielectric medium, operating mechanism and even some introduction of “smartness” and “intelligence,” the basic principle has remained essentially the same, notes Raghavan, the *Vice President, PFC, Energy Solutions Business Division, Film Capacitors Business Group, TDK India Pvt. Ltd.* With the proliferation of non-linear loads and deteriorating power quality, increased sensitivity of connected loads to PQ aspects, increasing embedded or distributed generation, large-scale integration of renewable energy sources and changing characteristics of loads and generators, it is possible that some significant changes in switchgear are necessary and imminent. Dr Venkatesh Raghavan enlists emerging industry trends:

- Selection and application of switchgear based on power quality aspects such as high harmonic distortion, unbalance, etc. This also includes the need and use of higher fault capacity switchgear considering increasing fault levels due to embedded generation and the installation of shunt capacitor banks or power conditioning devices.
- Use of FP switchgear instead of TPN and with higher neutral capacity and neutral current protection is expected considering increasing neutral currents due to increasing single-phase loads, unbalance, triplen harmonics, etc. The operating range of coils is expected to be wider considering neutral shifts, voltage sags or swells, the effect of harmonics and the impact of high crest factor and □at top voltages etc to avoid nuisance tripping and coil burnouts.
- Switchgears are expected to be designed to have low losses considering the effect of harmonics on losses due to overheating (skin and proximity effects). This is to make the products greener and more reliable!
- With increased switching, the demand for transient-free switches is expected to go up and increase the popularity of solid-state switchgear, point-on-wave switching and current-limiting switches.
- Increasing DC loads (SMPS, EV charging, LED, BLDC motors, etc.) and DC generation (SPV, WEG with converters, etc.) is expected to increase the demand for DC switchgear (moving away from natural “current zero” for arc interruption). Paving for new innovations in DC current interruption.
- Considering the sensitivity and criticality of loads and PQ aspects, the switchgear is expected to have faster operation or sub-cycle fault interruption and reduce nuisance tripping with advanced and intelligent fault detection systems.
- Higher reliability and safety, arc resistance characteristics, compactness and “green” switchgear would be the norm.
- Aligned to emerging maintenance practices and leveraging on IoT, the switchgears are expected to be smart and intelligent with communication facilities and diagnostic features.

### **PQ (Power Quality): Challenges**

Several power quality issues impact the operation of electrical equipment and efficiency of industrial facilities. Facility managers trained in the basic knowledge of power quality can identify operational performance improvements while being aware of potential threats and methods to mitigate them. The same can also be done with the help of consultants. PQ problems can originate either from the power grid—for example, due to auto reclosers clearing faults on transmission lines – or from loads within the facility or in another facility connected to the same bus. Load-generated sags arising from large DOL motors’ inrush currents can also cause PQ problems.

### **Significance of R&D**

*“The global shift towards smart grid technology and digitalization demands that manufacturers upgrade their product offerings,”* says chairman IEEMA LV Switchgear Division Nitin Rastogi. Technological advancements and innovation in the switchgear segment demand strong and local research and development in the manufacturing segment. Rastogi says, *“Indian switchgear manufacturers must keep up with innovations such as IoT-enabled systems, digital switchgear, and remote monitoring solutions, which are gaining popularity in developed markets. Keeping pace with such advancements requires significant investments in R&D, advanced materials, and specialized manufacturing processes. “To address this concern, manufacturers should focus on collaborating with global technology providers or get involved in joint ventures to access cutting-edge technologies.”*

Investment in R&D can help domestic and multinational manufacturers to innovate and develop cost-effective switchgear with smart solutions. Leveraging Industry 4.0 technologies like automation and data analytics can improve product quality and reduce the manufacturing cost of switchgear.

### **On the Policy Front**

The preceding analysis and projections lead to conclusions and recommendations that can be considered by policymakers engaged in different aspects of electricity system planning, regulation, and policy.

India’s government policies provide a favourable environment for the growth of the switchgear industry by promoting domestic manufacturing, renewable energy adoption, electrification and smart infrastructure. The combination of the Make in India initiative, ambitious renewable energy targets, smart grid developments, and rural electrification programs will fuel demand for modern switchgear solutions.

The Make in India policy and the Quality Control Order have encouraged global and domestic manufacturing companies to establish manufacturing facilities in India, thereby enhancing production capabilities, reducing costs, and improving the quality of locally manufactured switchgear products. It has also attracted foreign direct investment (FDI) into the sector, helping India become a manufacturing hub for electrical equipment.

Some of them are listed below:

- i. The National Smart Grid Mission (NSGM)
- ii. Atmanirbhar Bharat (Self-Reliant India)
- iii. National Electric Mobility Mission Plan (NEMMP) & Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME)
- iv. Renewable Energy Policies (National Wind-Solar Hybrid Policy, UDAY, Solar Rooftop Program)
- v. Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya Scheme)
- vi. Bureau of Energy Efficiency (BEE) & Energy Efficiency Services Limited (EESL) initiatives
- vii. Smart Cities Mission
- viii. National Policy on Electronics (NPE)
- ix. Customs and Tariff Policies

These policies, along with the increasing focus on energy efficiency and the development of smart cities will create significant opportunities for switchgear manufacturers to expand their product offerings and market reach asserts.

## Future & Outlook

*“The future of India’s power sector and the LV switchgear industry is promising and dynamic,” says the **chairman**. “As India works towards energy sustainability, modern grid infrastructure, and universal electrification, the demand for smart, eco-friendly, and efficient LV switchgear will rise,” he adds.*

For the LV switchgear industry, this creates significant growth opportunities with technological innovations in digitalization, automation, and integration with renewable energy systems set to define the market. The country’s emphasis on self-reliance, energy efficiency and sustainability will manufacturers to adopt more advanced technologies, produce greener products, and cater to the diverse needs of a rapidly modernizing nation.

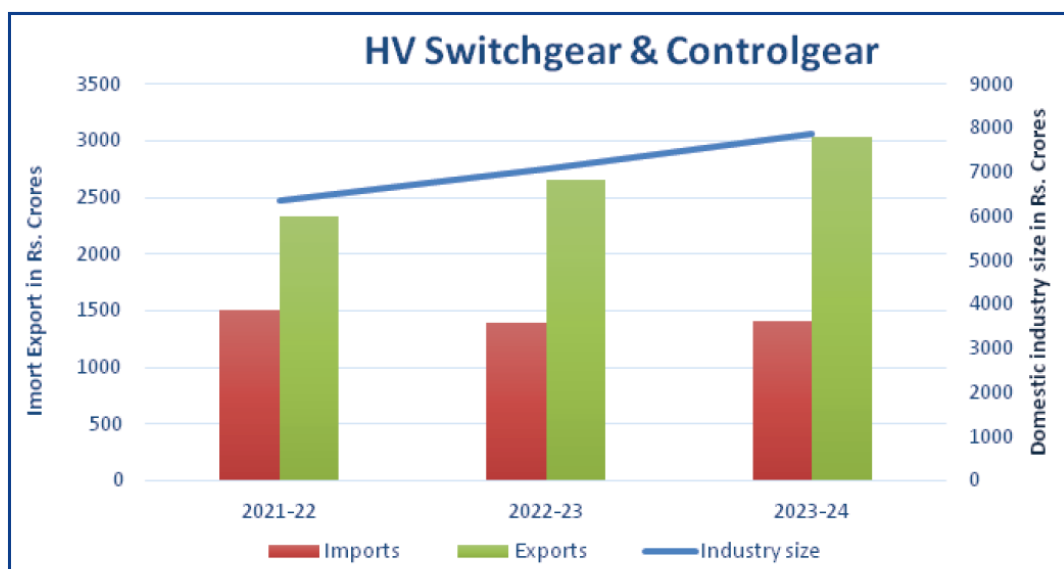
The Electrical Equipment Quality Control Order 2020, which is under implementation stage in the low-voltage switchgear industry, is much relevant for debate and discussion, he suggests further.

*(DISCLAIMER: The opinions expressed are that of the authors and not necessarily of the organization.)*

*(Source: IEEMA Journal December 2024 – COVER STORY – LOW VOLTAGE SWITCHGEAR)*

## Switchgear Market Analysis

Production in the electrical and allied electronics industry has grown at about 9.5% CAGR over the past 5 years while we account for over 2.2 million jobs, contributing by about 7.2% to the total manufacturing segment in India’s GDP, contributing 45% share in the capital goods sector.



The growth index for switchgear and control gear for FY2024 is shown in the above table. The LV switchgear and control gear segment grew by about 13.7% in FY24; last year’s growth at 6.1% was much lower than this year, but the post-pandemic FY22 growth reached a whopping 25%. This financial year, the HV Switchgear grew by 28%, a massive jump from last year’s - 5% growth but not as much as the 56% growth recorded in FY22.



The graphics in the above Table show a concise market overview of the HV switchgear and control gear market with imports in orange colour and exports in green. As we can see, the exports have been in a steady rise since over two-years, taking the market upward with its performance.

A look at Table 2 below reveals the industry size in FY2023-24 as being valued at ₹ 7860cr as compared to ₹ 7095cr in 2022-23, almost doubling the pre-pandemic number of ₹ 4175cr in FY2019-20. HV switchgear imports stand at ₹ 1406cr in 2023-24 as compared to ₹1397cr in 2022-23 but less than ₹ 1585cr in 2019-20. Exports have increased to ₹ 3037cr in 2023-24 from ₹ 2650cr in 2022-23 and ₹ 2130cr in 2019-20. The industry size has grown at a CAGR of 9.87% over the past five years while imports have cut down by -6.26 and exports have increased as much by 6.75.

**Table 2**

HV Switchgear & Controlgear	2019-20	2020-21	2021-22	2022-23	2023-24	5-year CAGR
Industry size	4174	4187	6375	7095	7860	9.87
Imports	1585	1327	1499	1397	1406	-6.26
Exports	2130	2235	2332	2650	3037	6.75
<b>Market Size</b>	<b>3629</b>	<b>3279</b>	<b>5542</b>	<b>5842</b>	<b>6229</b>	<b>5.97</b>
<b>Imports as % of Market Size</b>	<b>43.7%</b>	<b>40.5%</b>	<b>27.0%</b>	<b>23.9%</b>	<b>22.6%</b>	
<i>Trade Balance (Export- Import)</i>	545	908	833	1253	1631	

### Challenges in the Sector

Here is a list of challenges that manufacturers face:

1. Regulation and compliance: the net-zero guideline in India is currently at a nascent stage. The absence of legally enforceable regulations is impeding the adoption of carbon-neutral or SF6-free equipment, thereby slowing the acceptance of cutting-edge technology.
2. Sustainability and environmental concerns: Manufacturers need to come up with eco-friendly and sustainable switchgear solutions to align with global environmental goals. This includes phasing out of harmful substances, such as SF6 gas, used in gas-insulated switchgear. These would require significant investments in alternative technologies.
3. Supply chain disruptions: Factors like geopolitical tensions, natural disasters, and economic fluctuations can disrupt the supply chain leading to shortages of raw materials, components and logistics challenges. Example: COVID-19, Russia-Ukraine war.
4. Technological disruptions: The industry is constantly evolving, with new technologies like power electronics, energy storage, and smart grid solutions emerging, this can make it difficult for manufacturers to keep up with the latest trends and continuously invest in research and development, to develop more efficient, compact, solutions, especially in a backdrop of committed demand for these products and solutions.
5. Cybersecurity and data privacy concerns: As switchgear systems become increasingly connected and digitalized, they are exposed to cybersecurity threats like hacking and data breaches. With the increase in digitalization, protecting sensitive customer data and ensuring compliance with data privacy regulations is a growing challenge.
6. Sustaining competitiveness and profitability: As the industry undergoes continual evolution, manufacturers must adjust to emerging technologies and market dynamics to remain competitive. In India, a market sensitive to pricing and confronted with challenges like escalating costs, supply chain interruptions, and economic variability, profitability can be impacted posing difficulties in maintaining operations within this capital-intensive industry.

### Vision

The vision for the power sector involves advancing towards a more digital, sustainable, reliable, and efficient energy ecosystems, says, *IEEMA medium voltage and high voltage (MV-HV) Switchgear division Chairman*. The goal is to meet growing energy demands while minimizing environmental impact and ensuring accessibility for all. The transformation shall aim at creating a greener and more interconnected energy landscape.

Megatrends like the shift from consumer to prosumer, integration of renewables into the grid, emergence of technologies such as green hydrogen, energy storage solutions & HDVC, emergence of new segment like data centre, semiconductor, EV automobile and charging infrastructure shall lead to a new energy landscape.

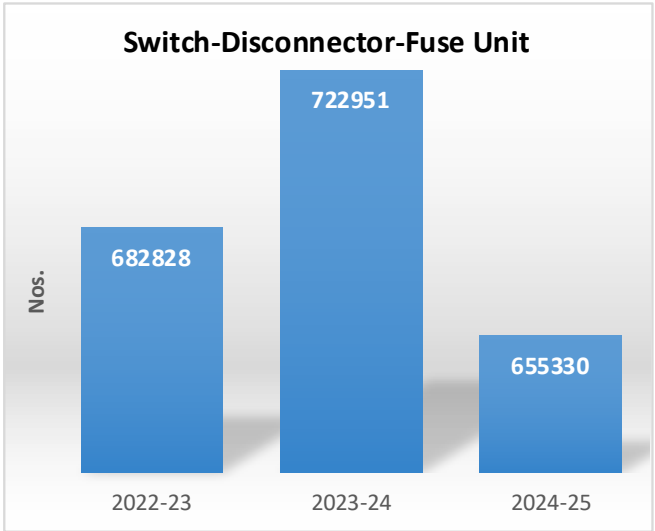
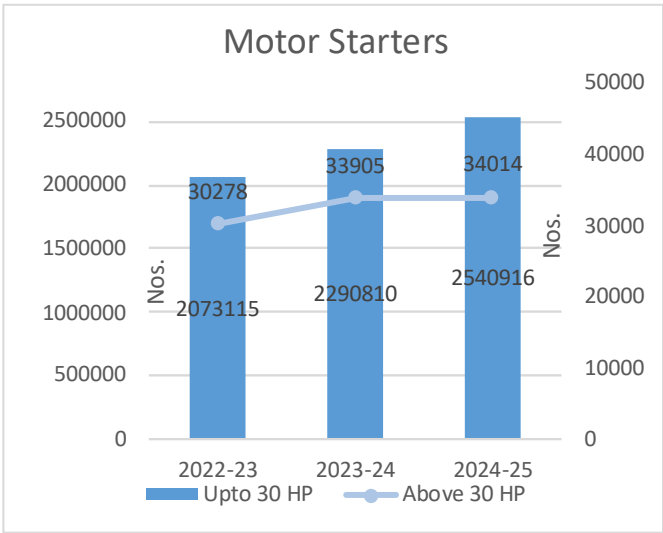
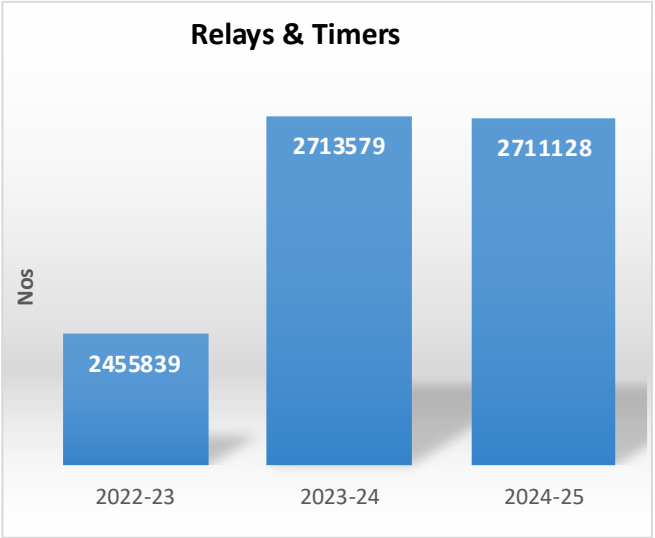
(Source: *IEEMA Journal December 2024 – COVER STORY – MV-HV SWITCHGEAR*)

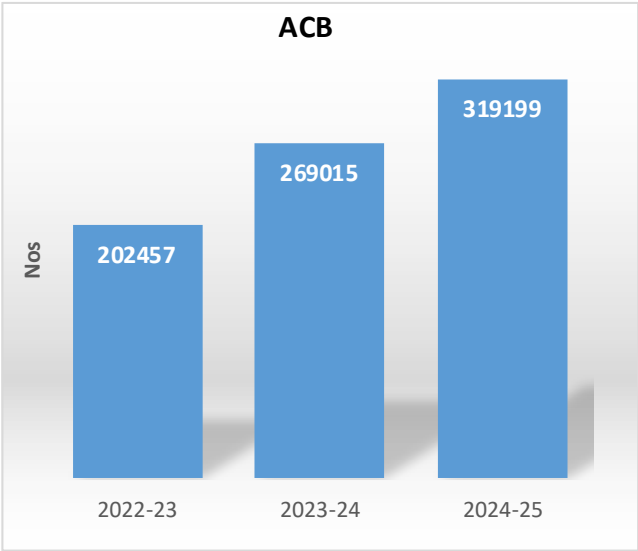
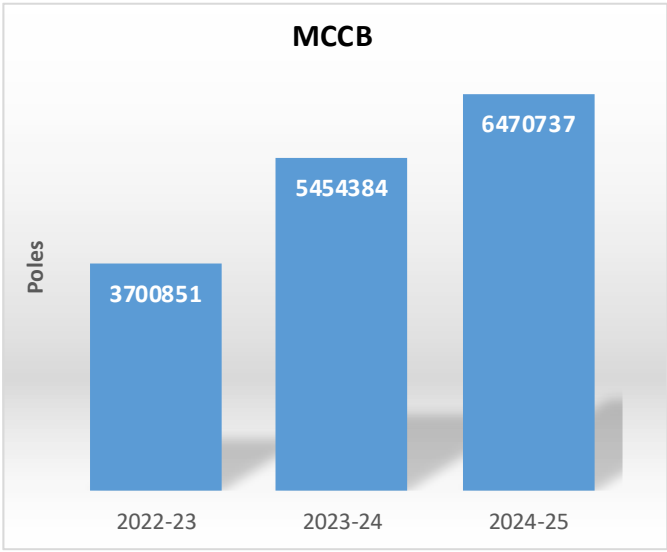
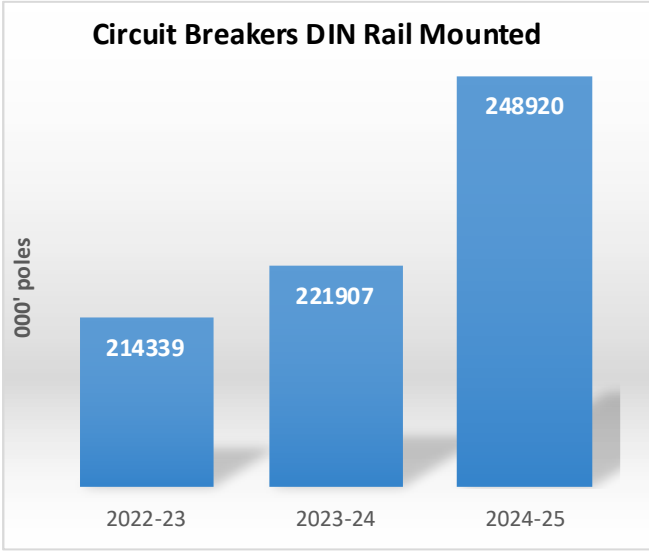
### STATISTICS - 10 YEARS PRODUCTION DATA

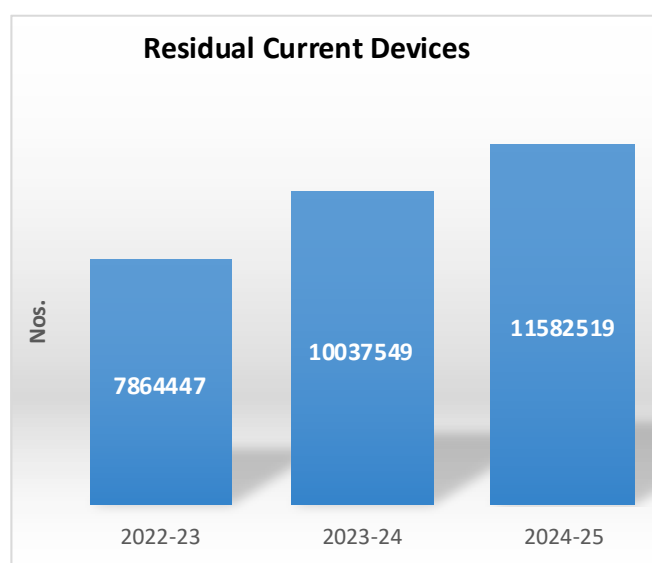
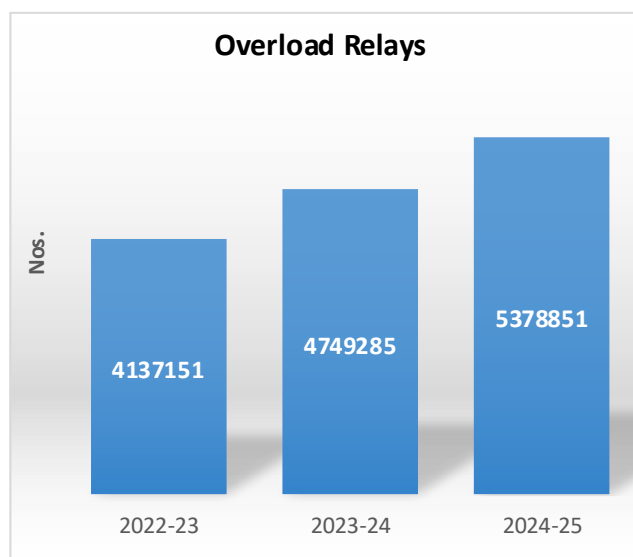
The Production Pattern of Switchgear and Control gear in the last 10 years is as under:

YEAR		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	% Variation Between 2024- 25 and 2023-24
PARTICULARS	ACC.UN IT											
Relays, Aux. Relays & Timers	Nos.	1292716	1665186	1731119	2069292	1924130	1907533	2252070	2455839	2713579	2711128	-0.09
Motor Starters	Nos.	1633897	1986444	1926209	2427182	2096129	2215087	2329082	2103393	2324715	2574930	10.76
Load Break Switches and Switch Disconnectors	Nos.	24378	22321	36050	37767	29374	47778	41044	42557	53293	56104	5.27
Residual Current Devices	Nos.	4273960	4244616	4499742	5791913	6278469	6315782	8145728	7864447	1003754 9	1158251 9	15.39
Switch-Disconnectors-Fuse Unit	Nos.	602123	704031	738720	732440	725502	596388	651343	682828	722951	655330	-9.35
Circuit Breakers DIN Rail Mounted	Poles	1461652 07	1599165 93	1664473 84	1831483 14	1714485 33	1704605 67	2129215 33	2143390 93	2219067 66	2489199 33	12.17
MCCB	Nos.	1822680	2598164	2577680	2983627	3118984	2912012	3700851	4644526	5454384	6470737	18.63
Air Circuit Breakers	Nos.	110284	138803	151526	157194	180835	177034	202457	223866	269015	319199	18.65
Contactors	Nos.	8476944	9743365	1062551 1	1216930 6	1318179 0	1236474 1	1521116 9	1474910 5	1650313 7	1876564 5	13.71
HRC Fuses-Upto & Incl. 1000 Volts	Nos.	1131192 0	1089509 0	1100146 7	1160169 5	1012874 7	7696141	9882900	1093659 4	1424059 6	1488443 8	4.52
Above 1000 Volts	Nos.	92700	78703	98172	103064	92557	75305	69498	58407	1710615	1917204	12.08
Thermal Overload Relays	Nos.	2955981	3399525	3460690	3788245	4020675	3794943	4226063	4137151	4749285	5378851	13.26

The graphical representation of production of switchgear and control gear products (represented in the table above) for annual comparison is as under:







(Source: IEEMA Production statement - LV Switchgear & Controlgear dated July 09, 2025).

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 22 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Information – Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations” on page no. 21, 209 and 251, respectively of this Draft Red Herring Prospectus, 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.*

*We have, in this Draft Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Information, and may not have been subjected to an audit or review by our Statutory Auditors. For further information, see “Restated Financial Information” on page no 209 of this Draft Red Herring Prospectus. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to “we” or “us” mean Avana Electrosystems Limited. For further information relating to various defined terms used in our business operations, see “Definitions and Abbreviations” on page no 01 of this Draft Red Herring Prospectus.*

### BUSINESS OVERVIEW

Our Company was incorporated as a private limited company under the name and style of ‘Avana Electrosystems Private Limited’ under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 16, 2010 issued by the Deputy Registrar of Companies, Karnataka (RoC). Pursuant to a special resolution passed by our Shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a public limited company and the name of our Company was changed to ‘Avana Electrosystems Limited’ and a fresh certificate of incorporation dated December 17, 2024 has been issued to our Company by the Central Processing Centre. The Corporate Identification Number of our Company is: U31400KA2010PLC054508.

Our Company is promoted by Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath, each of whom has an experience of over two decades.

Broadly, we are engaged in the manufacturing of:

- A. Control and Relay Panels, and
- B. Relays

We are a manufacturer of customised Control and Relay Panels ranging from 11kv to 220kv for Power System Monitoring, Control and Protection Applications Transmission Lines, Power Transformers, Bus Bar, Capacitor Bank, etc, for both indoor and outdoor usage, MV and LV Panels, Protection Relays and Substation Automation Systems. These panels are used across various sectors and industries to facilitate the transmission and distribution of electrical power such as in solar power plants, wind power farms, other power generation plants, power transmission stations, electricity board sub-stations, power utilities companies etc.

We also manufacture relays, which is a device used in electrical systems to detect faults and protect equipment by analysing electrical parameters and executing protective actions.

We are an ISO 9001:2015 certified company and our current product portfolio may be categorized as follows:

- c. High Voltage and extra high voltage systems which includes conventional and BCU based Control and Relay Panels for SCADA & Substation Automations Systems, Feeders / Line Protection Panels, Transformer Protection Panels, Bus-Bar Protection Panels and Capacitor Bank Protection Panels.;
- d. Medium voltage systems which include indoor and outdoor type control and relay panels for feeder protection panels, bus coupler panels and transformer protection panels;

- e. Low Voltage Systems for AC Distribution Box, DC Distribution Box, On-load tap Changer Panels and Metering Panels.
- f. Protection Relays and Electromechanical Relays.

We have two manufacturing units –

- Unit I located at – Plot No N-1, 4<sup>th</sup> Cross 1<sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru – 560058, Karnataka, India; and
- Unit II located at - No.8, KIADB Plot. No.35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli Village, Bengaluru – 560 058. Karnataka, India.

Sl. No	Particulars	Products manufactured at the Unit	Effective Installed Capacity as on March 31, 2025
1	Unit No:1	Relays	70,000 Units per year*
2	Unit No:2	Control and Relay Panels	600 Units per year*

Note: \*As certified by *Souparnika Associates Independent Chartered Engineer* pursuant to their certificate dated September 13, 2025.

Both our manufacturing units are equipped with necessary infrastructure, a team of engineers and technicians who have expertise in the areas of Design, Manufacturing, Testing and Commissioning of Control and Relay Panels, Switchgear Panels, Protection Relays and Automation Panels for system voltage for power system applications.

Our customer mix primarily include governmental power utilities and private sector energy producers. We have our presence across India. We have commenced export of our products to one customer in Kuwait in the Fiscal year 2025-2026.

Our Company made a beginning by offering control, protection and automation solutions in the field of power system protection. Over the years, we have expanded our operations and have evolved into a comprehensive Relays and Control Panels provider. Our Units are equipped with machinery like Numerical relay test simulator, Coating Thickness Meter, Dial Micrometre, Dial Vernier Calliper, Digital Ammeter, Digital Clamp Meter, Digital Multimeter, Digital Oscilloscope, LCR Meter etc. and we have a workforce of 129 employees as on August 31, 2025.

Our Company is promoted by Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath, each of whom has an experience of over two decades. The industry experience, depth and diversity of our Promoters and management team has enabled our Company to anticipate and address market trends, manage and grow our operations, maintain and nurture customer relationships and respond to changes in the market. Further, our senior management team is able to leverage their collective experience and knowledge in the switchgear industry and execute our business strategies for our growth. Our KMPs and SMPs comprises of professionally qualified people having experience in various business functions. For further information, see “*Our Management*” on page no 188 of this Draft Red Herring Prospectus.

## OUR MANUFACTURING UNITS

### 1. Manufacturing Unit-1

Our Unit I is located at Plot No N-1, 4<sup>th</sup> Cross 1<sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru, 560058, Karnataka, India comprising of covered area of 5,000 sq. ft. (approximately) consisting of factory sheds. This Unit has an installed capacity of 70,000 units per annum. This unit manufactures Relays.







This unit is engaged in design, manufacturing, of different types of Protection and monitoring relays, Annunciators, control systems and control & relay panel accessories, for power systems. The relays are designed as per the relevant IEC (International Electrotechnical Commission) standards. Verification of these products will be done by experienced team of engineers. These Relays are type tested at Govt recognized NABL (National Accreditation Board for Testing & Calibration Laboratories) accredited labs across India. The following two types of relays and Panel accessories are designed and manufactured in this unit.

1. Numerical Protection Relays
2. Electromechanical Relays & Panel accessories.

#### Numerical Protection Relays

Numerical Protection Relays (NPRs) are microprocessor-based devices designed to provide protection, monitoring, control, and communication for high-voltage (HV) and extra-high-voltage (EHV) power systems. The manufacturing process involves electronic hardware design, firmware/software development, assembly, testing, and calibration to ensure compliance with IEC/IEEE standards. Numerical Protection relays combine multiple functions within a single device, enhancing reliability, accuracy, and interoperability with modern SCADA systems. Many relays specially designed for specific applications.

#### Electromechanical Relays & Panel accessories

Electromechanical relays are of monitoring type relays and used for monitoring different function associated with protection of power system equipment. Few relays are used to extend high power tripping signal by numerical relays, act as intermittent device. The relays are more of mechanical type hence the accuracy of components and workmanship in manufacturing is important. Manufacturing and QC requirements are scripted in the QMS. Calibration of tools used for testing / tuning will be done periodically.

**Unit I is equipped with the following machinery:**

Sl. No	Name of the Machinery	Number of Machines	Capacity	Year of Make	Name of Manufacturer
1	Coating Thickness Meter	1	51um -432um	2021	Mextech
2	Dial Micrometer	1	0-25mm	2017	Mitutoyo
3	Bakon 191 Thermometer	1	0 - 600° C	2024	Bakon

Sl. No	Name of the Machinery	Number of Machines	Capacity	Year of Make	Name of Manufacturer
4	Dial Vernier Caliper	3	0-200mm	2017	Mitutoyo
5	Digital Ammeter	1	0-2A	2021	Meco
6	Digital Clamp meter	1	0-600V	2025	ZOYI
7	Digital Multimeter	5	0-1000V AC/DC	2020	Fluke
8	Digital Oscilloscope	2	100MHz	2024	Rigol
9	LCR Meter	2	1-10M $\Omega$ Resistance 1nf-100uF Capacitance 100uH-10H Inductance	2019	HTC
10	Mugger	1	0-15A	2022	Megger
11	Power System Simulator	2	0-300V 0-10A 0-330°C 0-150Hz	2022	Doble
12	Time Interval Meter	1	0-9999s	2022	Selec
13	Neo Den N4 Pick and Place Machine	1	4 Nozzle 12K CPH	2023	NeoDen
14	Neo Den 6 Zone Reflow Machine	1	0-260°C, 6 Zone	2023	NeoDen
15	5KVA UPS	1	110V	2015	
16	strapping machine	1		2021	CE
17	2.5kV Digital Insulation Tester	1	0.1M $\Omega$ -20G $\Omega$ /2500V	2020	Meco
18	Hor Air Circulation Oven	1	0-100°C	2018	Yudian
19	HV Test Kit	1	0-10kV	2015	Avana
20	Single Phase Relay test kit	5	0-100A	2015	Avana
21	3 phase relay Test Kit	1	0-10A, 250V	2015	Avana
22	Relay Test Kit (0-230VAC)	1	0-230V AC	2020	Avana
23	EMR Relay Test Kit	5		2025	Avana
24	Voltage Relay Test kit	2	0-230V AC	2020	Avana
25	AC & DC Power supply 0-300V	9	0-300V	2021	Retrack
26	DC Regulated Power supply 0-300V / 2 A	5	0-300V / 2 A	2021	Retrack
27	Dry Cabinet Chamber	1	-	-	-
28	Hot Air Circulation Oven	1	-	-	-

*Note: The above machinery has been certified by our Statutory Auditors, M/s Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 20, 2025.*

## **2. Manufacturing Unit-II**

This Unit is located at No.8, KIADB Plot. No.35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli Village, Bengaluru – 560058. Karnataka, India comprising of covered area of 7,500 sq. ft. (approximately) consisting of factory sheds of 5,000 sq ft and office block of 2,500 sq ft. This Unit has an installed capacity of 600 units per annum. This unit manufactures Control and Relay Panels.







This Unit is engaged in design and Engineering and commissioning of Control & Relay Panels (CRPs) of various voltage levels for different functions for protection of power system and Desing Engineering, manufacturing, supply, testing & commissioning of substation automation systems (SCADA). CRPs are vital components in high-voltage substations that ensure reliable operation, monitoring, and protection of power networks. They house protection relays, control circuits, interlocking logic, and communication devices, enabling safe switching, fault detection, and coordinated system operation. The CRP manufacturing process involves design, fabrication, wiring, testing, and integration to deliver a robust tested solution that meets international standards such as IEC, IS, and IEEE. The main control and relay panels manufactured are listed below.

1. Feeder / Protection panels up to 220kV
2. SCADA & Substation Automations Systems
3. Transformer Protection Panel up to 220kV
4. Bus-Bar protection panels up to 220kV
5. Capacitor Bank Protection Panels
6. ACDB, DCDB, Metering panels etc.,

This Unit No is equipped with the following machinery:


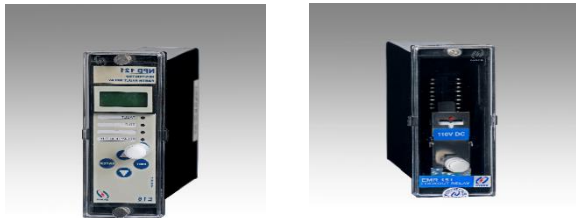
Sl. No	Name of the Machinery	Capacity	Year of Make	Name of Manufacturer
1	Drilling Machine	UP To 10mm	2019	BOSH / KPT
		UP To 10mm	2025	
		UP To 10mm	2013	
		UP To 10mm	2018	
		UP To 13mm	2023	
2	Air Blower		2010	BOSH
3	Zigsaw Machine	Max.85 MM	2010 & 2023	BOSH
4	Sandering Machine	100MM	2010, 2018 & 2025	BOSH
5	Ferruling Machine	5.5MM	2014 & 2019	LETAWIN-MAX
6	Weighing Machine	20gm to 250 KG	2010	TVS
7	Hydraulic Trolley	2500 KG	2011 & 2023	Dilip
8	Bench Drilling Machine	Up to 25MM	2012	Siddapura
9	3-In-1 Busbar Processor Machine	MODEL NO: RMT-200H	2019	RMT





10	Hydraulic Stacker Into Semi Electric Stacker (Mim- 90mm, Max. Lift Height 2000mm, Max Capacity - 1000 Kg )	MODEL NO: DS-10	2020	Dilip
11	Numerical 3 Phase Test Kit - 02nos	F6150E	2010&2023	Doble
12	3 Phase Secondary Injection Test Kit -1) 01nos & 2) 03nos	Conventional Type	2010&2015	Avana
13	H.V Test Kit	BDT/ 2.5kV to 5kV	2013	AE
14	Vernier Calipers		2011	Mitutoyo
15	Digital Mugger	RISH INSU20/ upto 1000 volts	2013	Rishabh
16	Digital Multimeter	MODEL-RISH 18S & RISH MIT 30	2018 & 2021	Rishabh
17	Clamp Meter	ALCT 66A / 0 to 60amp	2021	Rishabh
18	Dc Kit=03nos	0 to 300VDC only /upto 5A Load	2024	KBL
19	Dc Kit=01no	0 to 300VDC only /upto 5A Load	2025	RETRACK
20	Ac/Dc Kit = 04nos	0 to 60V DC & 0 to 300VAC / up to 2A load	2015	RETRACK




*Note: The above machinery has been certified by our Statutory Auditors, Vasanth & Co., pursuant to their Certificate dated September 20, 2025.*

### Our Product portfolio

We manufacture (assemble) and supply Relays and Control and Relay Panels that are critical for the distribution and transmission of electricity in the power sector. These components detect faults, such as short circuits or overloads, and does the necessary interventions to mitigate risks. The details of the key product that we manufacture for our customers are as follows:

Sl No	Type of Product	Product Type	Description of the product
1	Indoor Type Control and Relay Panel		These are electrical cabinets that house protection relays, metering instruments, control switches, and wiring. Additionally, they act as the brain of the substation. These panels are installed in control rooms of substations and help manage electrical faults.
2	Numerical Protection Relays		A numerical protection relay is a sophisticated device used in electrical systems to detect faults and protect equipment by analysing electrical parameters and executing protective actions. We have about 50,000 relays in service and they are SCADA compatible and in compliance with IEC 60255 standards

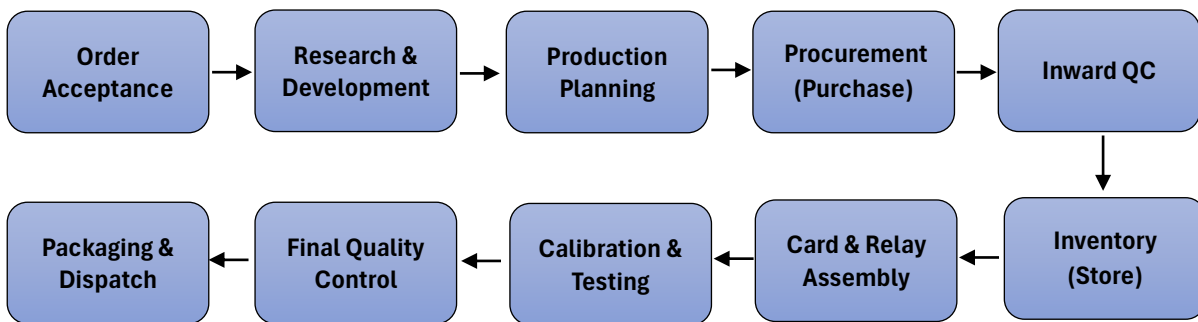
Sl No	Type of Product	Product Type	Description of the product
3	Electromechanical Relays	 	Electromechanical relays are devices that use an electromagnetic coil to mechanically operate a switch, allowing low-power signals to control high-power circuits. We have about 1.25 lakh relays in service and they in compliance with IEC 60255 standards.
4	Substation Automation Panel		Substation Automation System along with SCADA (Supervisory Control & Data Acquisition) is a control system architecture comprising Automation Panels with Relays, computers, networked data communications and graphical user interfaces for high-level supervision of Substations & its Power Equipment.
5	Relay Test Block and Test Plug		They are designed for on-load testing of relays and meters without disturbing panel wiring.

Sl No	Type of Product	Product Type	Description of the product
			
6	Semaphores		Our Control Panel Accessory and have LED Semaphore indicators.
7	Bus Bar Protection Panel		Control Relay Panels are also known as Protection Panels and are installed in HV & EHV Substations for the purpose of fault detection and protection of other valuable substation equipment such as Transformers, Feeders, etc. We manufacture these panels for substations of voltages from 11KV to 220 KV

## MANUFACTURING PROCESS

### Unit I:

The manufacturing process of Numerical Protection Relays (NPRs) in our Unit 1 is detailed below:



#### ***Order Acceptance:***

Once the order comes in, our team takes the time to thoroughly review each order. We carefully check our inventory to ensure that the requested items are available and then prepare the order for fulfilment.

#### ***Research & Development:***

Our Team is involved in new product development or technical modification of existing products. Our team studies the requirement of the orders as per the functional requirements to be added / modified, mechanical requirements, operational requirement, communication requirements, Power supply requirements, accuracy, speed of operation, MTBF targets, and the same are analyzed and recorded. Design process follows Hardware Design, PCB design, Software & Firmware Development, Verification, Validation of product. Final sign-off is done based on performance of pilot production and customer feedbacks wherever necessary. Necessary documents required for production, testing, QC, manuals to customer are prepared and issued.

#### ***Production Planning:***

Most of the product ranges are regular and designed in such a way to accommodate several specifications like many products are accommodated in same set of hardwires. Many times, marketing team provides market forecast of a comprehensive set of product requirements which helps us plan better. Before production begins, we conduct a thorough inventory check to ensure that all necessary materials are on hand. In addition, we analyze demand forecasts to better understand what our customers need. A resource assessment is performed to evaluate the availability of equipment and personnel required for the production process. Following this, we develop a detailed production schedule to streamline our operations efficiently. Lastly, clear communication and proper documentation are prioritized throughout the entire process going smoothly.

#### ***Procurement (Purchase):***

Identify the needs of different departments in organisation such as R&D, Production & Stores. Requirement is submitted as per purchase requisition including a detailed technical specification of the required goods or services. Component procurement is processed after Vendor Selection and Evaluation is done based on price, quality, delivery schedule and reliability. Commercial / Contract terms are formally communicated with selected vendors, after necessary sign-off from the Purchase Manager. The final purchase order is then sent to the vendor. Once the order is received, it is verified to ensure compliance with purchase order specifications. Log book is maintained to record any deficiencies or issues for resolution and future action.

#### ***Inward QC:***

Inspection of all materials is carried out physically by the technical team to check any damages or tampering, functional testing and prepare inspection reports with observations and test results. The team interacts with supplier in co-ordination with purchase team to resolve issues, if any. Finally, it is ensured that the quality of items / products used for manufacturing are quality checked.

#### ***Inventory (Store):***

Regularly monitoring of inventory level is done to avoid overstocking or stockouts. Monthly audit is conducted to ensure the accuracy of the stock and other records. All the stock details is recorded in the company's inventory management software. Material Planning helps us to determine requirements based on production forecasts, existing orders and inventory levels.

#### ***Card & Relay Assembly:***



The assembly of all printed circuit boards (PCBs) is carried out in accordance with the specific work order or customer requirements. Each assembled PCB is produced following detailed work instructions to ensure quality and compliance with the specifications outlined by clients. This process ensures that every unit meets the necessary standards and is tailored to the unique needs of the customer.

#### ***Calibration & Testing:***

Testing of individual relay is carried out in accordance with the specified test procedure, which is based on the requirements outlined in the work order or the customer's specifications. This ensures that each relay is assessed thoroughly and meets the necessary standards before they are put into operation. All individual relay test readings are documented in the report and a soft copy is saved for future reference. A hard copy is also sent to the customer. Calibration is conducted strictly in accordance with the established calibration procedure outlined by the third-party service provider, which holds accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL). This ensures that the calibration process adheres to recognized standards and guarantees the reliability and accuracy of the measurements taken.

#### ***Final Quality Control:***

The final quality control procedure typically involves several key stages. First, a thorough review of the product specifications is conducted to confirm that every item aligns with the predetermined criteria. This includes checking dimensions, weight, and other relevant physical attributes. Systematic inspection is performed on a sample from each batch. This involves both physical and functional tests to identify any defects, inconsistencies or areas of concern. Various tools and techniques are utilized during this phase, such as measuring instruments, software for software-based products, or even physical tests to confirm durability and performance. Each inspection is logged and addressed; this facilitates continuous improvement within the manufacturing process. It allows teams to track patterns over time, identify recurring issues, and implement corrective actions as necessary.

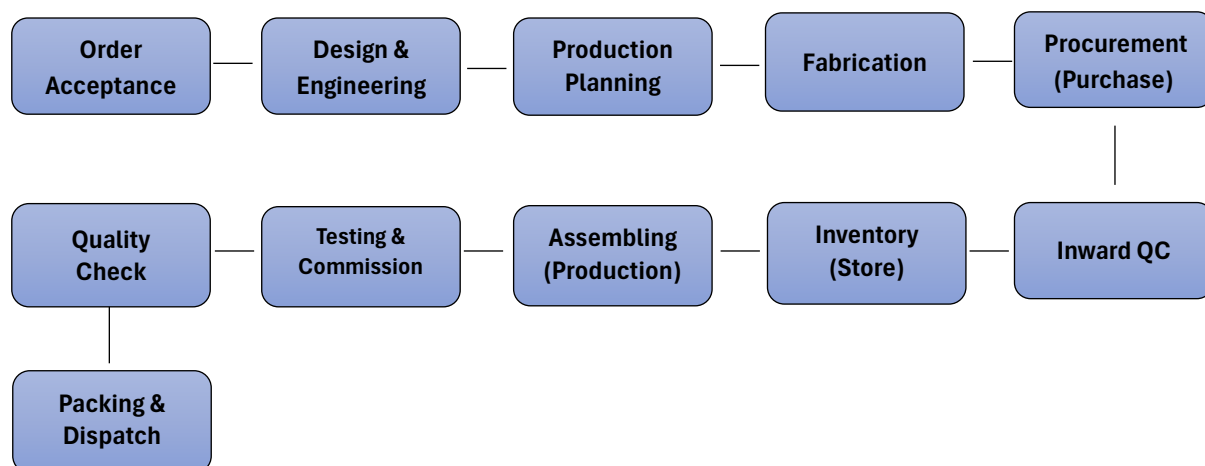
#### ***Packaging & Dispatch:***

Packing materials are available for all product based on the size, weight etc. Labelling each package with relevant shipping information is done, including the recipient's address, return address, and handling instructions. Once Packed and labelled, items are ready for dispatch and necessary arrangement is done for shipment as per the term / contract with customer. The shipping method is confirmed and the package is tracked until it reaches its destination.

## **UNIT II**

### **Description Of the Manufacturing Process of Control and Relay Panels**

Control & Relay Panels (CRPs) are vital components in high-voltage substations that ensure reliable operation, monitoring, and protection of power networks. They house protection relays, control circuits, interlocking logic, and communication devices, enabling safe switching, fault detection, and coordinated system operation. The CRP manufacturing process involves design, fabrication, wiring, testing, and integration to deliver a robust, tested solution that meets international standards such as IEC, IS, and IEEE. The manufacturing process for Unit 2 is as under:



***Order Acceptance:***

In this segment each and every requirement is custom built type. Order acceptance is issued after the approval of technical drawings by the concerned technical team of customer. The drawing is reviewed in line with specification of end user. Once the order comes in, our dedicated team takes the time to thoroughly review each submission. We carefully check our inventory to ensure that the requested items are available and then prepare the order for fulfilment.

***Design & Engineering:***

The team comprises of power system professional having knowledge of day-to-day developments in the power system, protection schemes and control philosophies. Preparation of General Arrangement (GA) drawings, wiring diagrams, and BOMs are done and then appropriate selection of numerical relays, meters, and auxiliary devices is done by the team in line with the customer requirements. They ensure compliance with IEC 60255, IEC 61850, and IS/IEEE protection standards.

***Fabrication:***

Major fabrication work is outsourced with our specifications and proper quality checking and inspection is carried out to maintain the quality

***Production Planning:***

Base on the delivery commitment production planning is Planning involves material planning and resource planning. Dedicated team reviews the material requirement with respect to the required specification and quantity. The required resource and space for manufacturing is planned and a continuous monitoring of the project's progress is done. If required, necessary adjustments to the schedule is done to keep everything on track.

***Component Procurement (Purchase):***

Departments such as Design & Engineering, Production & Stores submits the purchase requisition including a detailed description of the required goods or services. Component / product procurement is processed based on this. Major activities of this stpe includes- vendor selection, evaluation and order placement, exchange of technical specifications, quantities, and other terms and conditions are done properly to secure interest of both parties. Inspection upon delivery is done to ensure compliance with order specifications, logging any deficiencies or issues for resolution is also done.

***Inward QC:***

Inspection of material is carried out based on the specifications mentioned in the order placed Inspection is done to the package for any damage or tampering, record all findings in the log book, collect samples and perform required tests as per the testing procedures, an inspection report is prepared with observations and test results.

***Inventory (Store):***

Inventory team conducts a variety of crucial tasks - monitoring of stock levels, planning of material requirements and receiving and storing of goods. This ensures that optimal inventory levels is maintained while minimizing the waste and maximizing the efficiency. Proper management of inventory involves tracking of available items and planning for future needs, coordinating the deliveries and organizing storage systems to facilitate easy access to products when needed.

***Assembling (Production):***

Assembling equipment such as protection relays, meters, switches, indicators and communication hardwires into the fabricated metal enclosure / panel is done by a dedicated team of technicians. Wiring is done by the team along with the termination process which is the most important step in the entire process.

***Testing & Commissioning:***

Team of engineers takes up the functional and safety testing in compliance with relevant standards. They conduct all applicable routine tests, viz- insulation resistance, high-voltage withstand test, perform tests to validate protection schemes as per the specification of the customer. They also carry out Factory Acceptance Tests (FAT) in customers presence to ensure testing compliance. Commissioning process starts once the panels are installed with the required cabling / wiring work Team then visits the site and perform all necessary testing in presence of the customer representative. Final sign off happens after completion of testing, submission relevant documents, necessary software / license and field training to representatives.

***Quality Check:***

Quality check (QC) is conducted at different steps of the process. A thorough quality check for control panels involves a multi-step process which starts with the inspection of raw materials and components, ensuring they comply with specified regulations and quality benchmarks. The assembly process is then closely monitored to verify that all components are installed correctly and securely.

***Packing & Dispatch:***

Packing of the panels is done by using moisture and shock protection and transported to avoid damage to the same Based on the scope of agreement with customers, mode of transportation is finalized. Team ensures dispatch of goods to destination in good condition with proper documentation and sign off is taken accordingly on delivery.

## CAPACITY AND CAPACITY UTILIZATION

The following table sets forth the capacity and capacity utilization for each of the following manufacturing facilities for the financial years stated below:

Unit	March 31, 2025			March 31, 2024			March 31, 2023		
	Installed Capacity	Actual Production	%age	Installed Capacity	Actual Production	%age	Installed Capacity	Actual Production	%age
Unit I (in Number of Units)	70,000	65,840	94.50	70,000	58,501	83.57	70,000	27,942	39.91
Unit II (in Number of Units)	600	523	87.16	600	502	83.66	600	478	79.66

As certified by Souparnika Associates, Independent Chartered Engineer pursuant to their certificate dated September 13, 2025.

### Notes:

- (1) The information relating to the installed capacity as of the dates included above is based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of industry after examining the calculations and explanations provided by the Company, the equipment production capacities and other ancillary equipment installed at the facilities. The assumptions are also based on the past experience of the Management of Company to manufacture the said products. The assumptions and estimates taken into account include the following: (i) Number of working days in a fiscal year 300; (ii) Number of shifts in a day – general shift of 8 hour. The installed capacity is as of March 31, 2023, March 31, 2024 and March 31, 2025.
- (2) The information relating to the actual production as of the dates included above are based on the examination of the internal production record provided by the Company, explanations provided by the management, the period during which the manufacturing facilities operate in a fiscal year expected operations, availability of raw materials, downtime resulting from unscheduled breakdowns, as well as expected operational efficiencies.
- (3) Capacity utilization in a manufacturing plant is a metric that measures how much of a factory's production capacity is being used. It is a ratio that compares the potential output to the actual output. Capacity utilization has been calculated based on actual production during the relevant fiscal year / period divided by the aggregate effective installed capacity of relevant manufacturing facilities as of the end of the relevant fiscal year / period.

## FINANCIAL INDICATORS

### Key Financial and Operational Performance Indicators of our Company

We utilize a set of financial indicators that our management reviews in evaluating the performance of our business. Our management believes that the presentation of these key financial performance indicators in this Draft Red Herring Prospectus is important to understand our performance from period to period and also have an impact on our results of operations. These key financial performance indicators may or may not be compatible with similarly titled metrics presented by others operating in our industry. These indicators are not intended to be a substitute for, or superior to, any measures of performance, and may not fully reflect our financial performance, liquidity, profitability, or cash flows. Set forth below are our key performance indicators for the periods indicated.

Particulars	Units	For the financial year ended March 31,		
		2025	2024	2023
Revenue from Operations <sup>(1)</sup>	(₹ in lakhs)	6,148.58	5,298.77	2,840.65
Growth in Revenue from Operations <sup>(2)</sup>	(YoY%)	16.04%	86.53%	36.66%
Gross Profit <sup>(3)</sup>	(₹ in lakhs)	2,939.28	2,054.99	1,216.13
Gross Profit Margin <sup>(4)</sup>	(%)	47.80%	38.78%	42.81%
EBITDA <sup>(5)</sup>	(₹ in lakhs)	1,251.96	741.97	192.04
EBITDA Margin <sup>(6)</sup>	(%)	20.36%	14.00%	6.76%
Profit After Tax <sup>(7)</sup>	(₹ in lakhs)	831.23	402.41	92.29
PAT Margin <sup>(8)</sup>	(%)	13.52%	7.59%	3.25%

Particulars	Units	For the financial year ended March 31,		
		2025	2024	2023
RoCE <sup>(9)</sup>	(%)	53.71%	40.02%	15.31%
RoE <sup>(10)</sup>	(%)	47.11%	35.07%	10.25%
Return on Assets <sup>(11)</sup>	(%)	19.00%	12.09%	3.80%
Operating Cash Flows <sup>(12)</sup>	(₹ in lakhs)	676.66	94.77	(31.75)
Net Fixed Asset Turnover <sup>(13)</sup>	(in times)	17.90	18.67	14.39

The above figures have been certified by our Statutory Auditors. Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025.

**Notes:**

- (14) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (15) Growth in revenue from operations(yoy%) is calculated by subtracting the previous period's revenue from the current period's revenue, and then dividing that number by the previous period's revenue
- (16) Gross Profit is the Revenue from Operations of the Company as reduced by the cost of materials consumed and Changes in Inventories of finished goods, work in progress and stock-in-trade
- (17) Gross Profit Margin (%) is Gross Profit divided by Revenue from Operations
- (18) EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income
- (19) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (20) Profit After Tax (PAT) is calculated as Profit before tax – Tax Expenses.
- (21) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (22) Return on Capital Employed (ROCE) is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings deducted by intangible assets.
- (23) Return on Equity (ROE) is ratio of Profit after Tax and average Shareholder Equity
- (24) Return on Assets (ROA) is equal to PAT / average total assets deployed wherein average total assets deployed = (Opening total assets + Closing total assets)/2
- (25) Operating cash flow is extracted from Cash Flow Statement in Restated Financial Statements
- (26) Net Fixed Asset Turnover is equal to net revenue from operations/average fixed assets wherein average fixed assets = (Opening fixed assets + Closing fixed assets)/2

### OPERATIONAL KPIs MONITORED BY OUR COMPANY

In addition to the financial KPIs mentioned above, we also monitor the following operational metrics to assess our business performance and identify areas for improvement, with the aim of optimizing both revenue (top line) and profitability (bottom line):

#### 3. Output per day per unit – Relay and Panels

Particulars	FY 2025	FY 2024	FY 2023
Total number of Panels produced in a year	523	502	478
No. of days Panel unit was operational in a year	300	300	300
Output per day – Panel Unit [Total number of Panels / No. of days]	1.74	1.67	1.59
Total number of Relay units produced in a year	65,840	58,501	27,942
No. of days Relay unit was operational in a year	300	300	300
Output per day – relay Unit [Total number of Relay / No. of days]	219.47	195	93.14

The above figures have been certified by our Statutory Auditors. Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025.

This KPI helps in tracking the output generated per day for our units. It is an indicator of Company's employee efficiency and profitability measure.

#### 4. Calculation of Sales from various sales channels:

Particulars	Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Tender / Government Orders	1007.33	16.38	952.78	17.98	758.75	26.71
Private Parties	5055.09	82.22	4320.8	81.54	2078.25	73.16
Network of Dealers	86.16	1.40	25.19	0.48	3.65	0.13
<b>Total</b>	<b>6148.58</b>	<b>100.00</b>	<b>5298.77</b>	<b>100.00</b>	<b>2840.65</b>	<b>100.00</b>

The above figures have been certified by our Statutory Auditors, Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025.

This KPI helps us in tracking the sales registered through various channels like Government Orders / Orders received through the tender process, direct sales to private parties and sales through our distributors and dealers. This helps in understanding under which channel the Company's sales are growing.

#### Bifurcation of revenue from different states

The bifurcation of our revenue from the different states across India is set forth in the table below:

(Rs. In Lakhs)

Particulars	As at and for the financial year ended March 31,					
	2025		2024		2023	
	Revenue in ₹ lakhs	%age to total revenue	Revenue in ₹ lakhs	%age to total revenue	Revenue in ₹ lakhs	%age to total revenue
Madhya Pradesh	2,065.51	33.59	866.14	16.35	272.84	9.60
Maharashtra	1,366.14	22.22	1,346.68	25.41	428.86	15.10
Karnataka	652.25	10.61	1,050.21	19.82	548.76	19.32
Gujarat	529.08	8.60	78.99	1.49	99.73	3.51
Tamil Nadu	460.47	7.49	349.80	6.60	103.55	3.65
Chhattisgarh	323.97	5.27	146.38	2.76	4.87	0.17
Telangana	99.53	1.62	0.16	0.00	8.16	0.29
Rajasthan	95.06	1.55	111.90	2.11	94.84	3.34
Punjab	91.09	1.48	75.46	1.42	56.68	2.00
West Bengal	90.74	1.48	10.34	0.20	5.88	0.21
Uttar Pradesh	60.55	0.98	684.98	12.93	798.39	28.11
Assam	59.23	0.96	1.71	0.03	0.00	0.00
Haryana	56.42	0.92	39.28	0.74	49.49	1.74
Arunachal Pradesh	40.83	0.66	28.26	0.53	6.73	0.24
Kerala	31.46	0.51	46.24	0.87	93.74	3.30
Andhra Pradesh	27.68	0.45	45.89	0.87	73.06	2.57
Jammu & Kashmir	24.20	0.39	11.98	0.23	57.62	2.03
Himachal Pradesh	19.95	0.32	275.97	5.21	0.00	0.00
Ladakh	16.78	0.28	0.00	0.00	0.00	0.00
Bihar	16.84	0.27	22.73	0.43	9.22	0.32
Delhi	9.28	0.15	13.76	0.26	22.89	0.81
Jharkhand	8.13	0.13	30.1	0.57	6.24	0.22
Odisha	2.81	0.05	32.01	0.6	13.07	0.46
Chandigarh	0.32	0.01	0.00	0	0.00	0
Uttarakhand	0.19	0	0	0	0	0
Goa	0.1	0	14.13	0.27	8.9	0.31
Manipur	0	0	6.73	0.13	71.7	2.52
Meghalaya	0	0	1.13	0.02	1.02	0.04
Nagaland	0	0	7.81	0.15	4.4	0.15
<b>Total</b>	<b>6,148.58</b>	<b>100.00</b>	<b>5,298.77</b>	<b>100.00</b>	<b>2,840.64</b>	<b>100.00</b>

Note: The above figures have been certified by our Statutory Auditors, Vasanth & Co., pursuant their Certificate dated September 20, 2025.

### Contribution by our top 5 and top 10 suppliers

The following is the contribution of our top 5 suppliers and top 10 suppliers on restated basis to the purchases for Fiscal 2023, Fiscal 2024 and for Fiscal 2025:

Particulars	As at and for the financial year ended March 31,					
	2025		2024		2023	
	Amount (₹ in lakhs)	%age of Purchases	Amount (₹ in lakhs)	%age of Purchases	Amount (₹ in lakhs)	%age of Purchases
Top 5 Suppliers	1486.05	42.62	1503.33	41.00	820.97	44.29
Top 10 Suppliers	2051.49	58.83	2115.41	57.69	1120.42	60.44
<b>Total</b>	<b>3486.93</b>		<b>3666.80</b>		<b>1853.78</b>	

*Note: The above figures have been certified by our Statutory Auditors, Vasanth & Co., pursuant to their Certificate dated September 20, 2025.*

### OUR COMPETITIVE STRENGTHS

#### a) Strong customer relationships and wide customer base

We have established and will continue to focus on strengthening our relationships with domestic customers across our product verticals. As on date we supply our products to State owned Electricity Distribution Companies and private distribution companies. With over 15 years of operations in dealing with Power Solution Products, we have the requisite experience in the industry and have garnered trust of our customers. During the Fiscal 2025, we catered to 367 customers, 307 customers in 2024 and 275 customers in the fiscal year 2023.

Similarly, our top five (5) customers accounted for 22.42%, 22.76% and 36.01% of our revenue from operations in Fiscals 2025, 2024 and 2023 respectively. The following is the revenue breakup of the top five and top ten customers of our Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023:

#### Revenue Break-up of our Top 5 and Top 10 Customers

(₹ in lakhs)

Particulars	As at and for the financial year ended March 31,					
	2025		2024		2023	
	Amount	%age of total revenue from operations	Amount	%age of total revenue from operations	Amount	%age of total revenue from operations
Top 5 customers	1,378.76	22.42	1,205.78	22.76	1,022.97	36.01
Top 10 Customers	1,936.50	31.50	1,964.38	37.07	1,360.96	47.91
<b>Total Revenue</b>	<b>6,148.58</b>		<b>5,298.77</b>		<b>2,840.64</b>	

*The above figures have been certified by our Statutory Auditors, Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 20, 2025.*

Our customer base has played a key role in our growth and will continue to be a significant driver of our future growth. It will help us expand our market share, develop new products, and enter new markets. Our customer-centric approach ensures that any concerns raised by our clients are swiftly addressed by our dedicated after-sales support team, providing a rapid response time.

#### b) Customisation & Multi - Product Portfolio

We provide a comprehensive range of custom-built Control and Relay Panels ranging from 11kv to 220kv. These panels are used across various sectors and industries to facilitate the efficient transmission and distribution of electrical power such as in solar power plants, wind power farms, other power generation plants, power transmission stations, electricity board sub-stations, power utilities companies etc.

We also have comprehensive range of relays which are used in electrical systems to detect faults and protect equipment

by analysing electrical parameters and executing protective actions.

#### **c) Quality Standard Certifications & Quality Tests**

Our customisation and product quality helps us to retain existing customers, onboard new customers and build brand image. We practice quality checks which include inspection of materials, before they enter the production floor for production, initial testing, final testing and pre dispatch check. The Company also has in-house testing lab which tests on various parameters as per quality requirements of customers. Our products are tested as per IEC Standards at NABL accredited laboratories as per utility norms. Some of our customers also require us to test our products at their site and we conduct such quality checks by deputing our testing team. Our manufacturing facility located at Peenya Industrial Estate, Bengaluru is having ISO 9001:2015 certification for our Quality Management Systems.

#### **d) Experienced Promoters and Senior Management Team**

We have an experienced management team led by our promoters Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath. Our Managing Director, Anantharamaiah Panish holds a Bachelor's degree in Electrical Engineering and has over 32 years of experience as an electrical engineer. Our Whole Time Gururaj Dambal and S Vinod Kumar are also qualified electrical engineers and have combined experience of more than 23 years in the electrical industry. Our Executive Director K N Sreenath has around 22 years of experience in the field of Accountancy and Finance. The experience in protection relay development and Control & relay panel manufacturing of our Promoter Directors combined with the support of a strong and experienced management team and dedicated employees has provided us a competitive advantage and enables us to function effectively and efficiently. Their expertise enables the Company to remain responsive to changes in demand over the years.

#### **e) Geographical reach**

The strength of our business lies in our highly diversified customer base, which includes customers across India. We cater to variety of clients, including power utilities and industrial conglomerates. The diversity of our customer base enables us to leverage growth opportunities across different geographies and industries. This diversification helps us in providing with visibility into long-term growth prospects.

#### **f) In-house R&D Team**

We are equipped with an in-house Research and Development facility which has a team of 9 Engineers, firmware and software developers. Our R&D teams help us to bring out innovation in our existing products. We also obtain third party validation and type test our products at approved laboratories across India for compliance with specific international standards (IEC). We also obtain feedback from our customers and improve our products.

### **OUR BUSINESS STRATEGIES**

#### **1. Integration of existing manufacturing units by relocating into one single expanded manufacturing unit.**

We have two functional manufacturing units which are equipped with necessary infrastructure, a team of engineers and technicians who have experience in the areas of Design, Manufacturing, Testing and Commissioning of Control and Relay Panels, Switchgear Panels, Relays and Automation Panels for system voltage for power system applications.

Both these units have a combined total area of 12,500 sq. ft, with an installed capacity of 70,000 units in Unit I for protection relays and 600 units in Unit II for control and relay panels and are currently operating at optimum capacity. As on March 31, 2025, our facilities were operating at 94.06% capacity for Unit I and 87.16% capacity for Unit II.

Both of our existing manufacturing units are leased on a leave and license basis. The total area of both these units is fully utilised and further capacity expansion is not possible.

In view of the growth in revenue recorded over the past three financial years, and in anticipation of continued demand driven by infrastructure expansion and industrial growth, the Company plans to relocate both the existing units to a single new integrated manufacturing unit.

Our Company has been allotted a land admeasuring 4,020 sq. mtrs. (approximately 1 acre). Our Company plans to set up an integrated manufacturing unit on this land. This proposed new facility will consolidate our existing two operational units into a single, integrated manufacturing unit, thereby streamlining operations and optimizing resource utilization.

#### **2. Expanding our reach by establishing regional offices in Western, Eastern and North-Eastern region parts of India**

We currently have 4 employees operating in the Northern, Central and Western region of our country. Since we expect our order book to increase with orders from the western, eastern and north-eastern region of the Country, we are planning to increase the staff strength in these regions and also open offices in few other cities to attract and cater to orders from these areas.

### **3. Expanding our dealer network across India**

We currently supply our products across India. We source our orders by participating in tenders floated by state electricity distribution departments and also through dealers appointed in certain cities / states in the Country. Going forward, we intend to strengthen our dealership network by appointing a greater number of dealers across India. This will help us source new customers and strengthen our Order Book in the coming years. Investing in dealership network will enable us to better understand regional dynamics and customer preferences, allowing us to respond swiftly to market changes. Through this multifaceted strategy, we aim to significantly broaden our customer base, enhance our competitive edge, and drive revenue growth, positioning ourselves as a trusted partner in the power infrastructure sector for long-term success.

### **4. Tapping export markets by participating in international exhibitions and appointing overseas representatives and dealers**

We had exported our products in the past to companies in Bangladesh and Nigeria. However, we did not export in the last three financial years. In the coming years, we intend to expand our presence globally and re-commence our exports by participating in international exhibitions, appointing overseas dealers and opening representative offices in other countries overseas. We have obtained order from one customer in Kuwait in the Fiscal year 2025-2026.

### **5. Broadening our product range to meet evolving market needs**

Staying updated with industry trends is essential for staying competitive in the transformer and relay industry. Our company keeps a close eye on the developments taking place in the industry, in order to stay competitive and change according to latest developments taking place in the industry. Understanding and anticipating these trends will enable us to make strategic decisions, invest in the right areas, and develop a workforce equipped to navigate the future. In order to keep ourselves updated on the latest trends in the industry, we take steps like attending seminars, conferences and exhibitions. We have also invested in an in-house R&D department which is staffed with technically qualified engineers, we believe that by undertaking such initiative and providing quality products, we can gain customer confidence which can help grow our business.

## **BUSINESS OPERATION:**

### **Our Order Book**

Our order book is an important indicator of the future revenue potential of our business, comprising the estimated revenues from the unexecuted portions of all our existing contracts as of a particular date. As on August 31, 2025, our pending Order Book for all our business segments stood at 4,505.87 lakhs. Further, our order book as of a particular date is calculated on the basis of the aggregate contract value of our ongoing projects as of such date reduced by the value of work executed by us until such date, as certified by the relevant client. It is important to note that the order book value does not account for any potential escalation or changes in the scope of work for ongoing projects or any additional work arising from such changes up to the relevant date. Set forth below is the Order Book as on August 31, 2025 from our top 10 customers (unit wise):

#### **Unit No. 1**

<b>Sl. No</b>	<b>Date of Order</b>	<b>Customer</b>	<b>Product</b>	<b>Pending Order Value to be Executed (In ₹ Lakhs)</b>
1	February 07, 2025	Customer 1	Relays	81.51
2	July 31, 2025	Customer 2	Relays	56.42
3	July 26, 2025	Customer 3	Relays	28.12
4	May 31, 2025	Customer 4	Relays	17.48
5	September 13, 2024	Customer 5	Relays	14.40
6	August 13, 2025	Customer 6	Relays	10.12
7	August 04, 2025	Customer 7	Relays	9.05
8	November 08, 2024	Customer 8	Relays	8.30
9	August 14, 2025	Customer 9	Relays	6.12
10	August 12, 2025	Customer 10	Relays	4.30



Sl. No	Date of Order	Customer	Product	Pending Order Value to be Executed (In ₹ Lakhs)
		<b>Total</b>		<b>235.82</b>

**Unit No: 2**

Sl. No	Order Date	Name of the Client	Product Type	Pending Order Value to be Executed (In ₹ Lakhs)
1	June 03, 2025	Customer 1	Control and Relay Panels	518.00
2	February 27, 2025	Customer 2	Control and Relay Panels	456.60
3	January 08, 2025	Customer 3	Control and Relay Panels	441.95
4	June 02, 2025	Customer 4	Control and Relay Panels	322.98
5	January 28, 2025	Customer 5	Control and Relay Panels	312.00
6	July 24 and July 25, 2025	Customer 6	Control and Relay Panels	249.00
7	December 14, 2024	Customer 7	Control and Relay Panels	131.00
8	September 02, 2024	Customer 8	Control and Relay Panels	126.00
9	September 11, 2024	Customer 9	Control and Relay Panels	124.82
10	March 14, 2024	Customer 10	Control and Relay Panels	124.02
		<b>Total</b>		<b>2806.37</b>

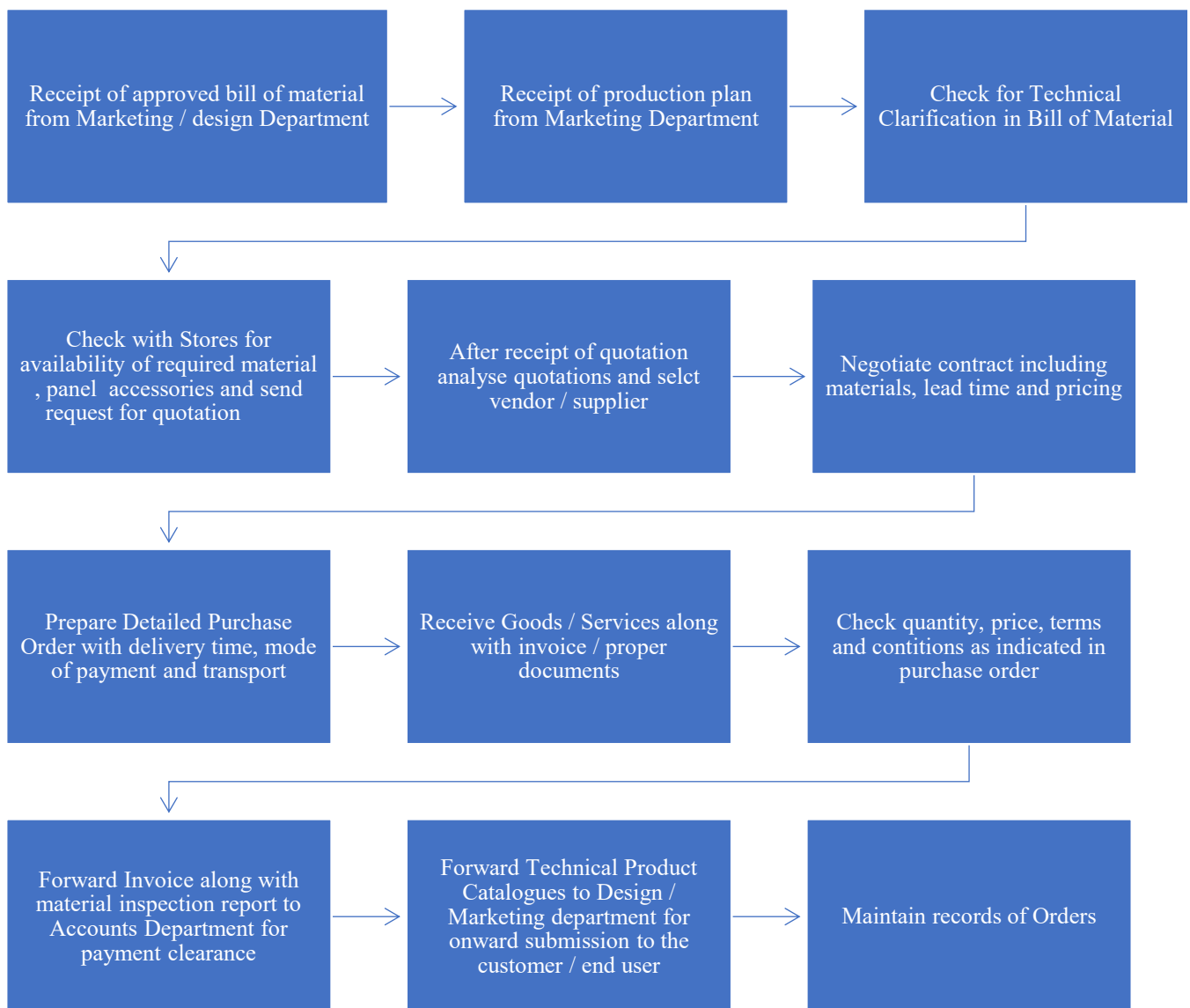
*Note: The above Order Book has been certified by our Statutory Auditors, Vasanth & Co., pursuant to their Certificate dated September 20, 2025.*

## Raw Materials / Components

Our major raw materials for our Unit 1 are microcontrollers / processors wherein complete unit functionalities are programmed using specified software and dedicated hardware; integrated chips which is used to perform various digital functions required for product functionalities; diodes mainly used in power supplies and other signal conditioning circuits; passive components like resistors and capacitors which are used in electronics circuits; power transformer which is used to reduce high voltage to measurable low voltage at input stage.; current transformer which is used to reduce high current in to measurable low current at input stage; brass components used in electrical connection / Mounting purpose like terminals, studs, bracket etc; metal boxes used as enclosure for product; plastic components and croton boxes used with foam for packing of products.

Our Unit 2 requires numerical relays, electromechanical relays, annunciators, indicating lamps & push buttons, control switches, control cables / wires, semaphore indicators, terminal blocks, digital / analog metres and MS / SS cubicles.

We follow the purchase procedure described as under:



## SALES AND MARKETING

We have our in-house sales and marketing team comprising of experienced professionals with diversified background. Our sales and marketing team works closely with the customers to understand their requirements. As of August 31, 2025, our sales and marketing had 9 employees and ensures direct and efficient communication with our customers and provide timely services.

We operate with OEMs and utility customers. However, to support smaller panel builders, we operate through a dedicated dealer network. We have a network of few dealers primarily for our Relays and Panels accessories. We have appointed 6 dealers who are based out of Haryana, Maharashtra, Madhya Pradesh and Rajasthan. Dealers are required to:

- i. meet immediate requirement of customers by supplying them locally
- ii. expand the market base
- iii. tap new customers in their region

Selection of dealers is based on their:

- i. knowledge of product and whether they are dealing currently in similar products
- ii. their network strength with local switchgear manufacturers and power utility companies
- iii. financial strength to stock adequate stock and provide credit to customers

We have also penetrated the foreign markets and have started to cater to overseas customers in the current financial year. We therefore cater to our wide and varied customer base through the following sales channels:

Sales Channel	Brief Description
Tender	Under this channel, we sell our products upon being awarded with the tenders. In order to obtain government contracts, we enter into contracts primarily through a competitive bidding process. Our clients typically advertise for potential projects on their websites and in leading national newspapers. Accordingly, we carry out a regular review of the leading national newspapers and relevant websites to identify projects that could be potentially viable for us. After such projects are identified, we evaluate our Company's credentials in light of the stipulated eligibility criteria. Notices inviting bids may either involve pre-qualification, or short listing of contractors or a post qualification process. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. While awarding contracts for major projects, our clients generally consider contractors that they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bidding capacity and size of previous contracts in similar projects. After technical evaluation, price competitiveness is the primary selection criterion. In order to submit a financial bid, our Company conducts an in-depth study of the proposed project, in order to ensure that we submit the best bid for being selected.
Network of dealers	We supply our products through a network of dealers for supply to small panel builders. As on March 31, 2025, we have 6 dealers and distributors spread across India.
OEMs	We also supply our products to OEMs across various fields such as engineering, electrical panels etc., who utilize our products for their equipment.

The table below sets out the percentage of our sale of products made through our various sales channels for the Fiscals 2025, 2024 and 2023:

Particulars	Financial year ended March 31, 2025		Financial year ended March 31, 2024		Financial year ended March 31, 2023	
	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue	₹ in lakhs	% of the total revenue
Tender / Government Orders	1,007.33	16.38	952.78	17.98	758.75	26.71
OEMs	5,055.09	82.22	4,320.8	81.54	2,078.25	73.16
Network of Dealers	86.16	1.40	25.19	0.48	3.65	0.13
<b>Total</b>	<b>6,148.77</b>	<b>100</b>	<b>5,298.77</b>	<b>100</b>	<b>2,840.65</b>	<b>100</b>

*Note: The above figures have been certified by our Statutory Auditors, Vasanth & Co., pursuant to their Certificate dated September 20, 2025.*

Our Company also undertakes various initiatives to promote our brands and products, which helps us to maintain sales momentum and penetrate new markets. The initiatives include a mix of physical presence and digital marketing to a certain extent and participation exhibitions and semi-branded roadshows.

## **EXPORT OBLIGATION**

We have no export obligations as on the date of this Draft Red Herring Prospectus.

## **COMPETITION**

The power and distribution transformers manufacturing industry is characterized by intense competition, with both global giants and local players vying for prominence in the market. The competitive landscape is intricate, with companies differing in terms of geographical presence, product focus, and market strategies. Understanding this intricate web of competition necessitates comprehensive research into aspects such as market share, customer feedback, technological innovations, and the ability to adapt to evolving industry trends.

Our aim is to provide branded, standardized, and uniform quality products at competitive prices to our consumers. Many of our competitors have a substantially large capital base and resources than we do and offer a broader range of products. Our significant competitors are:

1. Danish Power Limited
2. Aartech Solonics Limited

## **COLLABORATIONS / TIE UPS / JOINT VENTURES**

Except as disclosed in this Draft Red Herring Prospectus and in the normal course of business, we do not have any collaborations / Ties Ups / Joints Ventures as on date of this Draft Red Herring Prospectus.

## **INFRASTRUCTURAL FACILITIES AND UTILITIES**

The infrastructural facilities available at our manufacturing facilities are as under:

### **Power and Fuel**

We have been sanctioned load of 40 HP for Unit 1 and 50 HP for Unit 2 from the Bengaluru Electricity Supply Company Limited. We have adequate power to meet our daily requirements.

### **Water**

We do not require any water for our manufacturing purposes. The water requirement for other activities is met through Bangalore Water Supply and Sewage Board at both our manufacturing units.

### **Manpower**

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. We had 129 permanent employees as on August 31, 2025. The following table sets forth a bifurcation of the number of our permanent employees as of August 31, 2025:

<b>Department</b>	<b>No. of Employees</b>
Management	04
Admin& IT	01
Sales & Marketing	09
Accounts and Secretarial	04
Design	07
Human Resource	01
Production	53

Department	No. of Employees
Purchase & Inward	10
Quality & Testing	19
R&D	09
SCADA	05
Store	02
Servicing	05
<b>Total</b>	<b>129</b>

Details of EPF contribution and ESIC premium paid for our employees are provided below:

(Rs. in Lakhs)

PF Details	FY 2025	FY 2024	FY 2023
Total No. of Employees	117	114	97
No. of Employees registered with EPFO	117	114	97
<b>Total Contribution Paid</b>	<b>97.95</b>	<b>77.45</b>	<b>68.25</b>

As certified by our Statutory Auditors, M/s Vasant & Co., Chartered Accountants pursuant to their certificate dated September 20, 2025.

(Rs. in Lakhs)

ESIC Details	FY 2025	FY 2024	FY 2023
Total No. of Employees	117	114	97
No. of Employees registered with ESIC	11	25	9
<b>Total Premium Paid</b>	<b>1.81</b>	<b>3.26</b>	<b>4.46</b>

As certified by our Statutory Auditors, M/s Vasant & Co., Chartered Accountants pursuant to their certificate dated September 20, 2025.

Other than stated above we also employ employee contractual labourers for our routine course of business. We have an agreement with our contractors and approach them for the supply of labourers and approach them depending on our requirements.

#### Details of Attrition amongst out employees

The details of attrition rate of employees for the last three (3) financial years are as follows:

Particulars	For the financial year ended / period ended			
	August 31, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Number of Employees in the beginning of the Year / Period (A)	121	118	101	91
Number of Employees in the end of the Year (B)	129	121	118	101
Average number of employees C = (A + B) / 2	125	119.5	109.5	96
Number of employees retired / left (D)	4	17	13	18
<b>Attrition Rate (%) E = D / C *100</b>	<b>3.20</b>	<b>14.23</b>	<b>11.87</b>	<b>18.75</b>

Although, during the past three (3) financial years we have added more employees than those who have left, we cannot assure you that there will be no attrition of employees in future. If we are unable to retain talent required for our business, or hire employees with similar talents and experience in the same cost, we may incur additional costs or we may face difficulties in our operations and performance due to lack of skilled and experienced workforce which could have a material adverse effect on our profitability, financial condition and results of operations.

#### Information Technology

An appropriate information technology infrastructure is important to support the growth of our business. We utilize antivirus software, backups, and various types of software solutions for our human resource and operational needs. We have established information technology policies and procedures to ensure compliance and security.

#### Transport and Logistics

For the transport of relays, we have established long-term partnerships with reputed and reliable courier and logistics companies to ensure prompt delivery at reasonable freight charges. In cases where courier or transportation services are unavailable, dispatches are made through Speed Post to ensure timely delivery.

We do not operate our own logistics or transport facility for the transport of panels. We obtain quotations from transport service providers and finalise the shipment with the most cost- effective and reliable transporter.

## 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 required to constitute a Corporate Social Responsibility Committee as our Company falls within purview of Section 135(1) of the Companies Act, 2013. We are also required to formulate a policy on corporate social responsibility. We have accordingly constituted a CSR Committee and as per our CSR Policy The CSR Committee comprises of Kishore N S, Gururaj Dambal and S Vinod Kumar.

Since the financial year ended March 31, 2025 was the first year in which the CSR provisions were applicable, we have provided an amount of Rs. 4.95 lakhs towards CSR as per the provisions of Companies Act, 2013 and the same has been spent towards Prime Minister's National Relief Fund.

## HEALTH, SAFETY AND ENVIRONMENT

We are committed to following best practices and complying with all applicable health, safety and environmental legislation and other requirements in our operations. Employee health and safety is of high importance to us. Any mishaps or accidents at our facilities could lead to property damage, production loss, adverse publicity and accident claims. We aim to become a zero-accident organisation and continually take initiatives to reduce the risk of accidents and prevent environmental pollution at our facilities. We also carry out regular fire drills. Our safety management team carries out regular safety inspections of our production facilities to ensure compliance with safety measures.

We are subject to extensive health, safety and environmental laws, regulations and production process safety and environmental technical guidelines which govern our processes and facilities. For further details, see "*Key Industry Regulations and Policies*" on page 167 of this Draft Red Herring Prospectus.

## INSURANCE

We generally maintain insurance covering our stocks, machinery 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. We currently have the following insurance policies:


Sl. No	Insurance Company	Policy Number	Policy Type	Period of Insurance	Name of the Insured	Sum Assured (₹ in lakhs)	Premium (in ₹ Lakhs)	Assets and Location covered
1	TATA AIG General Insurance Co Limited	0830010163	Marine Cargo Open Policy	01.03.2025 to 28.02.2026	Avana Electrosystems Limited	1002.00	0.51	Stock Transfer – Anywhere to Anywhere in India and from anywhere in the World to Anywhere in India
2	ICICI Lombard General	4005/397776629/00/000	Group Personal Acciden	21.06.2025 to	Avana Electrosystems Limited	1270.00	0.47	127 employee

Sl. No	Insurance Company	Policy Number	Policy Type	Period of Insurance	Name of the Insured	Sum Assured (₹ in lakhs)	Premium (in ₹ Lakhs)	Assets and Location covered
	Insurance Company Limited		Insurance Policy	20.06.2026				Assets of the company
2	TATA AIG General Insurance Co Limited	5130023540.	Fire and Burglary Insurance	21.08.2025 to 20.08.2026	Avana Electrosystems Limited	630.00	2.81	N1, 3 <sup>rd</sup> Floor, 4 <sup>th</sup> Cross, 1 <sup>st</sup> Stage, Peenya Industrial Estate, Bengaluru – 560058
3	TATA AIG General Insurance Co Limited	5130023540.	Fire and Burglary Insurance	21.08.2025 to 20.08.2026	Avana Electrosystems Limited	1130.00		No:8, Plot No:35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Bengaluru – 560058

We have made no insurance claims for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023.

### Intellectual Property

We have registered the following trademarks in our name:

S. No	Trade Mark	Type	Trade Mark Number	Class	Status
1		Device	1293504	9	Registered

### Domain Name

S. No	Domain Name and ID	Registry Domain ID	Registrant Name and address	Date of Creation	Date of Expiry
1	avanaelectrosystems.com	eNom, LLC	Whois Agent PO Box 639 C/o AVANAELECTROSYSTEMS.COM Kirkland, WA 98083, USA	June 04, 2010	June 04, 2026

### Freehold Property

We own the following property:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration ( In Rupees)	Usage
1	Deed of Conveyance dated August 22, 2014 between Implast Private Limited (“Seller”) and Avana Electrosystems Limited (“Purchaser”)	Land admeasuring about 13747 sq.mtrs. situated at Plot No:35, BBMP Khata 35, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Survey No: 41 & 42, Nallkadaranahalli Village, Yashwantapura Hobli Taluk, Bangalore North, Bengaluru, Karnataka	1,29,85,000	Vacant Land

#### Leasehold Property

Sr. No.	Details of the Agreement	Particulars of the property, description and area	Consideration	Usage
1	Lease cum sale deed dated March 19, 2018 between Karnataka Industrial Areas Development Board and Avana Electrosystems Limited (See Note below)*	Land admeasuring about 4020 sq.mtrs. situated at Plot No:121 and 122, Avverahalli Industrial Area, Sompura Hobli, Nelamangala Taluk, Bengaluru Rural, Bengaluru, Karnataka	₹. 149.00 Lakhs – tentative Premium; Yearly lease rental of ₹ 993 plus annual maintenance charges of ₹ 4,967 aggregating ₹ 5,960 per year.	Vacant land on which the new factory is to be set up as per the Objects of the Offer
2	Lease deed dated August 01, 2025 between V Ramadevi and Avana Electrosystems Limited for a period of 11 months from August 11, 2025	Land admeasuring about 5000 sq.feet situated at Plot No N-1, 4th Cross 1st Stage, Peenya Industrial Estate, Bengaluru	Monthly rent of ₹.1.63 lakhs and security deposit of ₹.10.00 lakhs	Relay Manufacturing Unit
3	Lease deed dated August 18, 2023 between G M Properties and Avana Electrosystems Limited for a period of 3 years from August 18,2023. (See Note below)*	Land admeasuring about 14,831 sq.ft with shed measuring 5,000 sq.feet and Office Block of 2,500 Sq.feet situated at site No.8, Plot. No.35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli Village, Bengaluru,	Monthly rent of ₹. 3.49 lakhs per month from 01.09.2023 to 31.08.2024; ₹ 3.66 lakhs per month from 01.09.2024 to 31.08.2025 and ₹ 3.85 lakhs from 01.09.2025 to 31.08.2026 and security deposit of ₹.25.00 lakhs	Control and Relay Panel Manufacturing Unit and Registered Office

#### Note:

1. Our Company has been allotted the land on February 25, 2016 by Karnataka Industrial Areas Development Board allotting the land on a lease of 99 years. The possession certificate was given on June 02, 2017 and a Lease cum Sale Deed was entered into between the Company and Karnataka Industrial Areas Development Board on March 19, 2018, for a period of 10 years subject to the condition that the Company would commence civil construction work within 9 months of the date of agreement and commence commercial production within 3 years of the date of the Agreement. In case the Company did not commence the civil work and commercial production within the stipulated period, the company could seek extension for a period of 1 year and a further extension of 1 more year subject to payment of a penalty. However, if the Company fails to commence civil work or commercial production within the stipulated period or within the extended period, the lease cum sale deed and the lease of 99 years would be cancelled automatically. Our Company has sought extension and has been provided an extension on May 23, 2025 and is under an obligation to commence civil construction work within 9 months of May 23, 2025 and commercial production within 3 years of May 23, 2025.
2. The lease deed for our Control and Relay Panel Manufacturing Unit and Registered Office is not registered. We are in the process of registering the same.



## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business.*

*Additionally, the operations require sanctions and approvals from the concerned authorities, under the relevant Central and State legislations and local laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. The regulations set out below are not exhaustive and are only intended to provide general information to the bidders. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, the relevant goods and services tax legislation and applicable shops and establishments statutes apply to our Company as they do to any other company in India.*

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” on page no. 270 of this Draft Red Herring Prospectus.

### **GENERAL CORPORATE LAWS:**

#### **Companies Act, 2013 (the ‘Companies Act’)**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act.

#### **SEBI Regulations**

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

#### **NSE Listing Rules and Offer for Sale Guidelines**

The Company is subject to the provisions of the NSE Listing Rules and the Offer for Sale (“OFS”) framework prescribed by the Securities and Exchange Board of India (“SEBI”), which collectively govern the eligibility, process, and compliance requirements for the sale of shares by eligible shareholders through the stock exchange mechanism. These provisions, inter alia, specify the criteria for the selling shareholders, the manner and timing of disclosures to the market, requirements relating to the offer size, floor price determination, bidding process, allocation methodology, settlement obligations, and timelines for completion of the transaction. The Company is also required to comply with ongoing post-offer reporting and disclosure requirements to the National Stock Exchange of India Limited (“NSE”) and SEBI to ensure adherence to transparency and investor protection principles.

#### **Depositories Act, 1996**

The Depositories Act, 1996, together with the rules, regulations, and bye-laws framed thereunder, provides the statutory framework for the establishment and regulation of depositories in India and sets out the procedures for holding and transferring securities in electronic form. The provisions of this Act govern the dematerialisation and rematerialisation of securities, the rights and obligations of depositories, issuers, and beneficial owners, as well as the manner of effecting ownership transfers through book entry. Under this framework, the Company is required to ensure that its equity shares are admitted with SEBI-registered depositories, maintain accurate and updated records of beneficial ownership, facilitate seamless transfer of securities, and comply with the settlement processes prescribed by the depositories and the stock

exchanges. Compliance with the Depositories Act, 1996 is integral to promoting transparency, reducing the risks and inefficiencies associated with physical share certificates, and ensuring that shareholders can efficiently trade and settle securities through the electronic platform.

### **Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (“IBC”) provides a unified legal framework for insolvency and bankruptcy proceedings in India. It applies to companies, limited liability partnerships, and individuals, and is administered by the Insolvency and Bankruptcy Board of India (IBBI), with adjudication by the National Company Law Tribunal (NCLT) for corporate entities. Under the IBC, a corporate insolvency resolution process (CIRP) may be initiated by financial or operational creditors upon a default of ₹1 crore or more. The process includes a moratorium on proceedings, appointment of an insolvency professional, and approval of a resolution plan. While the IT sector is predominantly asset-light, companies remain subject to the provisions of the IBC, including potential exposure to proceedings involving clients, vendors, or other counterparties. Creditors in such proceedings may include service providers and trade creditors. The Code also contains provisions on avoidance transactions, wrongful trading, and potential liabilities of directors and key managerial personnel during the insolvency process. Our Company has not been subject to any insolvency proceedings under the IBC as on the date of this Draft Red Herring Prospectus. However, we remain subject to its provisions in the ordinary course of business.

### **Transfer of Property Act, 1882**

The Transfer of Property Act, 1882 (“TPA”) is the principal legislation governing the transfer of movable and immovable property in India, except where specifically excluded by other laws. The Act sets out the legal framework relating to the sale, mortgage, lease, exchange, and gift of property between living persons. While the primary operations of our Company relate to the manufacturing and supply of electro systems and associated technologies, we may, in the ordinary course of business, acquire, lease, or license immovable property for purposes such as factory premises, warehouses, offices, or other operational facilities. Such transactions are governed by the relevant provisions of the TPA, including those relating to leases (Sections 105–117) and sales (Sections 54–56). Compliance with the TPA ensures that property-related agreements entered into by our Company are validly executed, legally enforceable, and effective in safeguarding the Company’s interests as an owner, lessee, or licensee of property.

### **The Registration Act, 1908 (“Registration Act”)**

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

### **Specific Relief Act, 1963**

The Specific Relief Act, 1963 governs the enforcement of civil rights in India and provides remedies such as specific performance of contracts, injunctions, and declaratory reliefs. The Act is applicable in cases where monetary compensation is inadequate and equitable relief is required to enforce contractual obligations. For our Company, which is engaged in the manufacturing and supply of electro systems and associated technologies, the provisions of the Act may become relevant in relation to contracts with customers, suppliers, vendors, and service providers, as well as in respect of property arrangements such as leases or licenses for manufacturing units, warehouses, or offices. The Act also applies to agreements involving intellectual property, technology use, and confidentiality obligations. Courts are empowered under this legislation to order the specific performance of a valid contract, subject to certain conditions, and to grant injunctions restraining a party from breaching contractual terms or misusing proprietary or confidential information. Following recent amendments, specific performance is available as a general remedy for breach of contract, which further strengthens the enforceability of contractual commitments relevant to our business operations.

### **The Indian Contract Act, 1872 (The Contract Act)**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides

for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Negotiable Instruments Act, 1881**

In India, the laws governing monetary instruments such as cheques, promissory notes and bills of exchange, are contained in the Negotiable Instrument Act, 1881 (“NI Act”) which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument, a criminal remedy of penalty was inserted in the NI Act in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid.

### **Industrial (Development and Regulation) Act, 1951**

The Industrial (Development and Regulation) Act, 1951 (“IDRA”) provides the overarching framework for regulation and development of scheduled industries in India. The Act empowers the Central Government to regulate industrial undertakings, control production in specified sectors, and ensure planned growth in line with national priorities. As our Company is engaged in the business of manufacturing and dealing in electro systems and associated technologies, including products such as custom-built control and relay panels for feeders, transformers, bus bars, capacitor banks up to 220 KV, indoor and outdoor panels, medium-voltage and low-voltage panels, and protection relays for power system applications, certain aspects of our manufacturing activities fall within the scope of the Act. Accordingly, our operations are subject to applicable provisions of the IDRA, including requirements for registration and compliance with directions issued by the Department for Promotion of Industry and Internal Trade (DPIIT), wherever relevant.

### **Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 governs the imposition of stamp duty on instruments evidencing transfer or creation of rights or obligations. Stamp duty is payable on a range of documents, including share certificates, lease deeds, loan agreements, service agreements, and other contractual instruments. In the course of our business, our Company enters into various agreements that may also attract stamp duty under applicable state laws. Failure to pay appropriate stamp duty may result in such documents being inadmissible as evidence in legal proceedings and may attract penalties.

### **Arbitration and Conciliation Act, 1996**

The Arbitration and Conciliation Act, 1996 provides the statutory framework for domestic arbitration, international commercial arbitration, and conciliation in India, and is largely based on the UNCITRAL Model Law on International Commercial Arbitration. The Act seeks to promote efficient, time-bound, and cost-effective resolution of commercial disputes outside the traditional judicial process, while also providing for the recognition and enforcement of foreign arbitral awards in India. For our Company, which is engaged in the manufacturing and supply of electro systems and associated technologies, the Act is relevant in the context of contracts with customers, vendors, suppliers, contractors, and service providers. Many such agreements incorporate arbitration clauses as the preferred mode of dispute resolution, both for domestic and cross-border transactions. The provisions of the Act therefore provide an important framework for addressing potential contractual disputes in a manner that is enforceable and aligned with international standards of alternative dispute resolution.

## **BUSINESS / KEY INDUSTRY / TRADE RELATED LAWS & REGULATIONS:**

### **The Electricity Act, 2003**

The electricity sector in India is primarily regulated by the Electricity Act, 2003, which consolidated multiple earlier legislations into a single comprehensive framework. The Act was introduced with the objective of encouraging competition, protecting consumer interests, rationalizing tariffs, promoting efficiency and transparency in policies, and attracting private sector investment in power generation, transmission, distribution, and trading. It is the central piece of legislation that continues to shape the functioning and evolution of the power sector in the country.

One of the key features of the Electricity Act is the liberalization of power generation. Except for hydroelectric projects, which require approval from the appropriate authority, generation has been delicensed, thereby allowing both public and private entities to set up generating units. The Act also permits captive generation without the need for a license, provided technical and safety standards are met. In transmission and distribution, the Act retains licensing requirements, with specific roles assigned to the Central Transmission Utility and State Transmission Utilities in planning and developing transmission systems. Distribution of electricity continues to be a licensed activity under the oversight of the State Electricity Regulatory Commissions, although the Act provides for exemptions in certain rural areas. Importantly, the legislation introduced the concept of “open access” in transmission, enabling large consumers to procure power directly from generators, subject to applicable charges, thereby fostering competition and choice.

The Act also formally recognized electricity trading as a distinct licensed activity, creating the foundation for market-based mechanisms such as power exchanges. In respect of tariff determination, the Act empowers the Central Electricity Regulatory Commission and State Commissions to regulate tariffs for generation, transmission, wheeling, and distribution, guided by principles of cost recovery, efficiency, and consumer protection. The Act further provides for the establishment of independent regulatory authorities in the form of the CERC and SERCs, with wide-ranging powers over licensing, grid standards, dispute resolution, and oversight of sectoral operations. To strengthen the regulatory framework, the Act created the Appellate Tribunal for Electricity to adjudicate appeals against the orders of these commissions.

Sustainability and renewable energy promotion form another important element of the Act. Regulatory commissions are empowered to mandate renewable purchase obligations for distribution licensees and consumers, thereby encouraging the development of renewable energy sources. This has enabled the introduction of market mechanisms such as Renewable Energy Certificates. The Act also lays down provisions for consumer protection, including guaranteed standards of performance, compensation in case of deficiencies, and the establishment of grievance redressal forums and an Ombudsman system. It prescribes penalties for contraventions such as electricity theft, violation of licensing terms, and failure to comply with technical or safety standards, along with mechanisms for adjudication by designated authorities.

For companies engaged in the electrical systems and allied businesses, the Electricity Act, 2003 provides both a regulatory framework and a business environment that shapes opportunities and obligations. While the Act facilitates growth in areas such as captive generation, renewable energy integration, and open access procurement, it also requires strict adherence to licensing conditions, tariff frameworks, grid standards, and consumer protection norms. Periodic amendments to the Act, along with regulations notified by the Central and State Commissions, may influence the operational and financial aspects of companies in the sector. Accordingly, continuous monitoring of the regulatory landscape remains integral to business planning and compliance in the power and electrical systems industry.

### **Central Electricity Authority (CEA) Regulations**

The Central Electricity Authority (CEA), constituted under the Electricity Act, 2003, is the apex technical body responsible for setting standards and prescribing regulations relating to electrical systems, safety, and grid operations. Various regulations framed by the CEA govern the technical, operational, and safety aspects of electrical equipment and installations, and compliance with these regulations is critical for all industry participants.

The CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 establish comprehensive requirements relating to the safety of electrical installations, the supply of electricity, and the protection of human life and equipment. These regulations prescribe technical standards, earthing and insulation norms, protective devices, and periodic inspection requirements to ensure safe construction, operation, and maintenance of electrical systems.

The CEA (Technical Standards for Connectivity to the Grid) Regulations, 2007 set out the conditions under which electrical plants and equipment may be connected to the national or state grids. These standards cover aspects such as voltage, frequency, harmonics, fault levels, communication systems, and protection schemes, thereby ensuring system reliability, grid stability, and interoperability between different stakeholders including generators, transmission utilities, and distribution licensees.

In addition, the CEA (Grid Standards) Regulations, 2010 provide technical and operational requirements relating to the performance, security, and safe operation of the grid. These regulations define the obligations of users, transmission utilities, and load dispatch centres in maintaining grid discipline, voltage quality, frequency control, contingency planning, and restoration procedures. Collectively, the CEA regulations form the backbone of technical compliance in the power sector and directly influence the design, manufacture, and performance of electrical systems and equipment.

## **Net Metering Regulations**

These regulations have been formulated by various states to promote the generation of electricity from renewable energy sources in respect of the grid connected solar rooftop photovoltaic systems. These regulations regulate the supply of excess electricity from an eligible consumer allowing the consumer to export the excess quantum of electricity produced from his premises to the distribution licensee. Under these regulations, the eligible consumer can avail the benefit of the excess quantum supplied to be carried forward to the next billing cycle as credited units of electricity. According to the Ministry of Power (MoP) Electricity (Rights of Consumers) Rules, 2020 amendment, for metering for rooftop solar systems, the net metering will be allowed for the prosumers for load upto 500 kW or upto the sanctioned load whichever is lower and gross metering for loads above 500 kW.

## **Forecasting Regulations**

The State Electricity Regulatory Commission of certain states, including Karnataka, Andhra Pradesh and Gujarat have introduced regulations prescribing forecasting requirements with interest levied for any delay payment for any deviations. The primary objective is to facilitate large-scale grid integration of solar generating stations and maintaining grid stability and security. These regulations apply to all solar generators connected to the respective state grids, including those connected through pooling stations, and selling generated power within or outside the state or consuming power generated for self-consumption.

## **Bureau of Indian Standards (BIS) Act 2016 – Indian Standards (IS Codes)**

The Bureau of Indian Standards Act, 2016 (“**BIS Act**”) provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the development of activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others: (a) publishing, establishing, promoting and reviewing Indian standards; (b) adopting as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards.

Among the important IS codes applicable to electrical panels and protection devices are IS 8623, which governs low-voltage switchgear and control gear assemblies, prescribing requirements for design, construction, and performance; IS 2147, which specifies the degree of protection of enclosures against ingress of foreign bodies and moisture; and IS 2705, which sets standards for current transformers, including accuracy, insulation, and safety parameters. Similarly, IS 3231 relates to protective relays and their performance characteristics, while IS 5578 and IS 11353 provide guidance on marking and identification of conductors for safe installation and maintenance. Adherence to these standards is a key requirement in the manufacture and deployment of electrical equipment and contributes significantly to operational safety and compliance in the sector.

## **Central Transmission Utility (CTU) and State Transmission Utilities (STUs)**

The Central Transmission Utility (CTU) and State Transmission Utilities (STUs) play a pivotal role in the planning and development of the inter-state and intra-state transmission systems respectively. In addition to their statutory functions, CTU and STUs often prescribe technical specifications and procurement standards that must be complied with by suppliers of equipment and systems intended for grid-connected operations. Utilities and organizations such as the Kerala State Electricity Board (KSEB), Bharat Heavy Electricals Limited (BHEL), and Hitachi Energy, among others, rely on specifications issued by CTU, STUs, and their own procurement norms to ensure that supplied equipment meets the technical, operational, and safety benchmarks required for grid reliability. Manufacturers and suppliers of electrical systems are therefore required to design, test, and certify their products in accordance with such specifications to qualify for participation in utility projects and procurement contracts.

## **Indian Electricity Rules, 1956**

The Indian Electricity Rules, 1956, though largely superseded by regulations notified under the Electricity Act, 2003, continue to remain relevant in certain areas until replaced or repealed in entirety. These Rules historically governed the safety, construction, operation, and maintenance of electrical systems and installations in India, and several provisions have been carried forward into the CEA regulations. In practice, companies in the electrical systems sector may be

required to comply with residual provisions of the 1956 Rules where state authorities or utility specifications reference them. Accordingly, both the Indian Electricity Rules, 1956, to the extent applicable, and the subsequent CEA regulations together form the regulatory framework for safety and technical compliance in the power and electrical equipment industry.

### **Prevention of Money Laundering Act, 2002**

The Prevention of Money Laundering Act, 2002 (“PMLA”) aims to prevent money laundering and to provide for confiscation of property derived from or involved in money laundering. The Act imposes obligations on reporting entities such as banks, financial institutions, and intermediaries to maintain records, conduct due diligence, and report suspicious transactions. We may be indirectly subject to its provisions when dealing with regulated entities or receiving foreign investments. Further, we are committed to ensuring that our operations and client engagements comply with applicable anti-money laundering standards and do not involve or facilitate transactions in contravention of the PMLA.

### **Consumer Protection Act, 2019 (“COPRA, 2019”)**

COPRA, 2019 came into force on August 9, 2019, replacing the Consumer Protection Act, 1986. It has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes ‘redressed mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. COPRA, 2019 provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as Rs. 50 lac to imprisonment which may extend to life sentences, for distinct offences under the act.

### **Consumer Protection (E-Commerce) Rules, 2020**

The Consumer Protection (E-Commerce) Rules, 2020 (“E-commerce Rules”) have been notified under the Consumer Protection Act, 2019 and apply to all goods and services sold over digital or electronic networks. The Rules impose obligations on e-commerce entities and marketplaces in relation to consumer grievance redressal, transparency, product liability, and fair-trade practices.

### **Quality Certification and Product Compliance**

In addition to compliance with statutory and technical regulations, participants in the electrical equipment industry are subject to quality certification requirements and product compliance standards that ensure safety, reliability, and performance. Quality certification serves as a key indicator of conformity to prescribed norms and is often a prerequisite for participation in government tenders, utility procurement, and large-scale industrial projects. The framework for product compliance in India is primarily guided by the Bureau of Indian Standards (BIS), which specifies Indian Standards (IS) for a wide range of electrical equipment and mandates compulsory certification in designated categories. Products bearing the BIS certification mark are deemed to have met the prescribed benchmarks for quality, construction, and performance.

Apart from BIS certification, compliance with the requirements of the International Electrotechnical Commission (IEC) and other internationally accepted standards is increasingly relevant, particularly in the context of exports and global supply chains. Many utilities, public sector undertakings, and large industrial customers mandate dual certification to both Indian and international standards, thereby ensuring harmonization with global practices. Testing and certification are generally carried out at accredited laboratories, and manufacturers are required to maintain quality assurance systems that conform to standards such as ISO 9001 for quality management and ISO 45001 for occupational health and safety.

The regulatory environment also requires compliance with product-specific safety certifications, type testing, and routine testing, depending on the category of equipment. These tests verify parameters such as insulation, thermal endurance, dielectric strength, short-circuit withstand capacity, and environmental protection levels. For certain categories of electrical goods, product registration under the Compulsory Registration Scheme (CRS) administered by BIS is mandatory before sale in the Indian market. In addition, products supplied to utilities or government projects must

conform to technical specifications notified by the Central Transmission Utility, State Transmission Utilities, or project-specific procurement guidelines.

Together, these certification and compliance requirements form a crucial part of the operating framework for companies in the electrical systems sector. They provide assurance to end-users and regulators about the safety and quality of products, while also serving as a competitive differentiator in markets where adherence to stringent standards is considered essential. Non-compliance may result in disqualification from procurement processes, regulatory penalties, or reputational risks, whereas adherence to robust certification frameworks enhances credibility, market access, and long-term sustainability.

## **TAX RELATED LAWS & REGULATIONS:**

### **Income Tax Act, 1961 ("IT Act")**

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

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

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. The GST is governed by the GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility would generally rest with a single authority to levy tax on goods and services. Exports would be considered as zero-rated supply and imports would be levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which will not be subsumed in the GST. Introduction of Goods and Services Tax (GST) is a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax would mitigate cascading or double taxation, facilitating a common national market. The simplicity of the tax should lead to easier administration and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25%-30%, free movement of goods from one state to another without stopping at state borders for hours for payment of state tax or entry tax and reduction in paperwork to a large extent.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The state governments of the following states have levied professional tax; Karnataka, West Bengal, Andhra Pradesh, Maharashtra, Tamil Nadu, Gujarat, Assam, Chhattisgarh, Kerala, Meghalaya, Orissa, Tripura, Telangana and Madhya Pradesh. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations.

### **Integrated Goods and Services Tax Act, 2017**

The Integrated Goods and Services Tax Act, 2017 ("IGST Act") provides the legal framework for the levy and collection of goods and services tax on inter-state supplies, including imports and exports of goods and services. The IGST is administered by the Central Government and is a key component of the unified GST regime in India. The Act outlines the principles for determining the place of supply, apportionment of tax between the Centre and the States, and provisions relating to zero-rated supplies, such as exports and supplies to Special Economic Zones (SEZs). The IGST framework is particularly relevant to businesses engaged in inter-state service delivery, cross-border transactions, or export of software and IT-enabled services.

## **Customs Act, 1962 (“Customs Act”), the Customs Tariff Act, 1975 and Rules made thereunder**

The provisions of the Customs Act, 1962 and rules made there under are applicable to imported goods i.e. goods brought into India from a place outside India (except goods cleared for home consumption) and export goods i.e. goods which are to be taken out of India to a place outside India. Imported goods and export goods are subject to duties of customs as specified under the Customs Tariff Act, 1975.

## **ENVIRONMENTAL RELATED LAWS:**

### **Factories Act, 1948 and State Rules**

The Factories Act, 1948 is the principal legislation governing health, safety, working conditions, and welfare of workers employed in factories in India. The Act prescribes detailed provisions relating to workplace safety, ventilation, cleanliness, working hours, overtime, employment of women and young persons, and other welfare measures such as canteens, restrooms, and medical facilities. Compliance with the Act is mandatory for manufacturing units and is subject to periodic inspections by factory inspectors and labour authorities.

In addition to the central legislation, each state prescribes its own factory rules to operationalize the provisions of the Act. In the case of manufacturing facilities situated in Karnataka, the Karnataka Factories Rules provide specific compliance requirements relating to approvals of building plans, maintenance of registers, record-keeping, safety audits, and reporting of workplace accidents. These provisions are designed to safeguard worker health and safety while ensuring orderly and compliant factory operations.

### **Environmental Laws and Pollution Control Regulations**

Environmental compliance is an essential aspect of operating an electrical manufacturing facility in India. The sector is governed by a series of legislations that address water, air, waste, and environmental protection. The Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 regulate the discharge of effluents and emissions, respectively, and require industrial units to obtain necessary consents from the State Pollution Control Board. The Environment (Protection) Act, 1986 provides an umbrella framework for the protection and improvement of the environment and empowers the central government to set standards for emissions, effluents, and waste management.

For industries generating hazardous by-products, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 prescribe requirements for handling, storage, treatment, and disposal of hazardous waste. Manufacturers of electrical equipment are required to comply with these provisions wherever applicable, including with respect to e-waste or chemical residues. In Karnataka, consents to establish and operate are issued by the Karnataka State Pollution Control Board (KSPCB), which monitors compliance with water, air, and waste management norms. Obtaining and maintaining such consents is a precondition for the lawful operation of manufacturing units.

### **Sectoral Policies and Government Initiatives**

Policy developments at both the central and state levels have a direct bearing on the electrical equipment and systems industry. The National Electricity Policy and the Tariff Policy, issued under the Electricity Act, 2003, provide the overarching policy framework for development of the electricity sector, including demand growth, renewable integration, and grid connectivity standards. These policies serve as a guide for utilities and equipment suppliers, ensuring alignment with sectoral priorities.

The promotion of renewable energy is a key focus of the Government of India, with the Ministry of New and Renewable Energy (MNRE) introducing various policies and schemes to encourage solar, wind, and hybrid energy projects. Companies supplying electrical components to engineering, procurement, and construction (EPC) contractors in the renewable space are indirectly governed by these policies, as compliance with MNRE standards and project specifications is often a requirement.

In recent years, government initiatives such as Make in India and Atmanirbhar Bharat have emphasized domestic manufacturing, with targeted incentives to encourage self-reliance and reduce import dependence. The Production Linked Incentive (PLI) Scheme has been extended to cover certain categories of electrical components, offering financial benefits



linked to production volumes and value addition. In addition, the State Industrial Policy of Karnataka provides benefits to micro, small, and medium enterprises (MSMEs) and larger manufacturing units through fiscal incentives, subsidies, and infrastructure support.

Together, these sectoral policies and initiatives create both opportunities and obligations for companies in the electrical systems industry, shaping their market access, cost competitiveness, and long-term strategic positioning.

### **National Environment Policy, 2006**

The National Environment Policy, 2006 sets out the Government of India's vision for sustainable development, environmental conservation, and the integration of ecological considerations into economic and industrial decision-making. The policy seeks to balance growth with environmental responsibility and provides a guiding framework for sectoral policies and regulations across industries. It addresses critical areas such as air and water quality, waste management, biodiversity conservation, and the adoption of clean and resource-efficient technologies.

For our Company, which is engaged in the manufacturing and supply of electro systems and associated technologies, the policy is particularly relevant in the context of industrial operations and waste management. It underscores the need for environmentally responsible practices in areas such as energy consumption, emissions control, water usage, and the handling and disposal of manufacturing by-products, including potential hazardous or electronic waste. The policy also emphasizes the importance of adopting cleaner technologies and process improvements that reduce environmental impact and enhance resource efficiency.

The National Environment Policy serves as a reference point for the development and implementation of various environmental laws and regulations, including those relating to pollution control, resource utilization, and environmental impact assessments. Accordingly, compliance with the principles and objectives of the policy is important for companies in the manufacturing sector, both to meet regulatory expectations and to align with broader national goals of sustainable industrial development.

### **Environmental Legislations**

India's environmental regulatory framework comprises a set of central and state legislations aimed at ensuring sustainable industrial development while protecting natural resources and public health. These legislations govern areas such as air and water quality management, control of noise and emissions, hazardous substance handling, and waste disposal, and apply to industries engaged in manufacturing, infrastructure development, and utility services. For our Company, which is engaged in the manufacturing of electro systems and associated technologies, compliance with these environmental requirements is essential in relation to our manufacturing facilities, power system equipment assembly, and operational processes. Key legislations relevant to our sector include:

#### **➤ Environment (Protection) Act, 1986**

The Environment (Protection) Act, 1986 ("EPA") serves as the umbrella legislation for environmental protection in India. It empowers the Central Government to establish standards for emissions and discharge of pollutants, regulate industrial operations in ecologically sensitive areas, and prescribe safeguards for handling hazardous substances. The EPA forms the legal basis for various subordinate legislations, including notifications and rules related to waste management, noise control, hazardous substances, and environmental impact assessments, all of which may have relevance to our manufacturing operations.

#### **➤ Environmental Impact Assessment Notification, 2006**

The Environmental Impact Assessment (EIA) Notification, 2006, issued under the EPA, prescribes the framework for obtaining prior environmental clearance for specified categories of industrial and infrastructure projects, including expansion or modernization that involves significant capacity augmentation. The process involves screening, scoping, public consultation, and appraisal, with clearances granted either at the central level by the Ministry of Environment, Forest and Climate Change (MoEFCC) or at the state level by the State Environmental Impact Assessment Authority (SEIAA). While our current operations are primarily manufacturing-focused, any future capacity expansion, land acquisition, or setting up of large-scale facilities may trigger compliance under this notification.

#### **➤ The Water (Prevention and Control of pollution) Act, 1974 (the "Water Act")**

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

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

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

➤ **The Noise Pollution (Regulation and Control) Rules, 2000**

The Noise Pollution (Regulation and Control) Rules, 2000, framed under the EPA, establish permissible noise levels for industrial, commercial, residential, and silence zones. Given that our operations involve electrical manufacturing equipment, testing, and potential installation works, adherence to prescribed limits is necessary to avoid regulatory non-compliance. Specific restrictions apply in sensitive zones such as hospitals, schools, and courts, within 100 meters of which stricter noise limits are enforced.

➤ **Emission and Noise Standards for Generator Sets**

The Central Pollution Control Board (CPCB) has notified emission and noise standards for generator sets up to 1000 KVA capacity, effective from January 15, 2008. These norms cover compliance testing, acoustic enclosures, and certification requirements for manufacturers and users of gensets. As gensets are sometimes used as backup power solutions in our facilities or during client-side installations, compliance with these norms remains relevant to our operations.

➤ **Public Liability Insurance Act, 1991**

The Public Liability Insurance Act, 1991 (“PLI Act”) provides for liability of owners or handlers of hazardous substances in the event of an accident leading to injury, death, or property damage. The Act requires such owners to maintain insurance policies to meet potential liabilities, and to contribute towards the Environment Relief Fund. While our core manufacturing activities do not involve large-scale hazardous substances, certain electrical components, insulation materials, and associated chemicals may attract compliance obligations under this Act.

## **REGULATIONS RELATED TO FOREIGN TRADE & INVESTMENT:**

### **Foreign Exchange Laws**

Foreign investment in India is regulated by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), together with the rules, regulations, and notifications issued by the Reserve Bank of India (“RBI”) thereunder, and the consolidated Foreign Direct Investment Policy (“FDI Policy”) issued by the Department for Promotion of Industry and Internal Trade (“DPIIT”), Ministry of Commerce and Industry, Government of India, from time to time. The FDI Policy consolidates various press notes, press releases, and circulars governing foreign investment in India. In addition, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 regulate the manner of making investments, pricing, valuation, transfer of ownership, and reporting requirements for investments by persons resident outside India.

The regulatory framework under FEMA and the FDI Policy prescribes conditions relating to downstream investment by Indian companies owned or controlled by foreign entities, and governs the transfer of ownership or control of Indian companies in sectors where foreign investment is subject to caps or conditionalities. Depending on the nature of the investment, foreign investment into India may be permitted either through the automatic route (which does not require prior government approval) or the approval route (which requires prior approval from the Government of India). At present, foreign direct investment of up to 100% is permitted under the automatic route in the manufacturing sector,

subject to compliance with applicable laws, security requirements, and sectoral conditions. Accordingly, foreign direct investment in our Company, which is engaged in the manufacturing and supply of electro systems and associated technologies, is permitted up to 100% under the automatic route, subject to the prevailing laws and regulations.

Further, in accordance with Press Note No. 4 (2020 Series), dated April 17, 2020, issued by DPIIT, any investment by entities incorporated in a country sharing a land border with India, or where the beneficial owner of such investment is a citizen of or situated in such a country, requires prior approval of the Government of India. This provision also applies in cases of transfer of ownership of existing or future FDI in an Indian company to such entities or beneficial owners.

### **Ownership Restrictions of Foreign Institutional Investors (FIIs)**

Foreign investment in Indian companies is governed by the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations issued thereunder by the Reserve Bank of India (RBI) and the Department for Promotion of Industry and Internal Trade (DPIIT). Foreign Institutional Investors (“FIIs”), along with Foreign Portfolio Investors (“FPIs”), were permitted to invest in Indian securities in accordance with the applicable guidelines until the FII regime was merged into the broader FPI framework. Under the current regulatory framework, FPIs are permitted to invest in equity shares of listed Indian companies, subject to sectorial caps and other terms and conditions as specified by the RBI and the Securities and Exchange Board of India (“SEBI”). Investments by FPIs are subject to individual and aggregate holding limits. As per prevailing regulations:

- The aggregate limit for FPI investment in the capital of a listed Indian company is generally capped at 24% of the paid-up equity capital;
- This limit may be increased up to the sectorial cap applicable to the relevant industry with the approval of the company’s board and its shareholders through a special resolution.

For companies engaged in the in the manufacturing sector, foreign investment is permitted up to 100% under the automatic route, as per the consolidated FDI Policy issued by the DPIIT. However, the actual permissible holding by FPIs may still be subject to applicable aggregate limits, unless specifically enhanced by a resolution of the shareholders. The monitoring of FPI investment limits is undertaken by depositories, and once the prescribed threshold is breached, further purchases by FPIs may be restricted unless prior approval mechanisms are in place.

### **Foreign Exchange Management (Overseas Investment) Rules, 2022 (“ODI Rules”)**

The RBI, with an aim to operationalise a new overseas investment regime, has introduced the ODI Rules and the Foreign Exchange Management (Overseas Investment) Regulations, 2022 (“ODI Regulations”), vide Notification No. G.S.R. 646(E) and Notification No. FEMA 400/2022-RB dated August 22, 2022 respectively. Further, the Foreign Exchange Management (Overseas Investment) Directions, 2022 (“ODI Directions”) were introduced to be read with the ODI Rules and the ODI Regulations. The new regime simplifies the framework to cover wider economic activity and thereby, significantly reducing the need for specific approvals. Investment may be made by an Indian entity only in a foreign entity engaged in activities permissible under the law in force in India and the host jurisdiction. Any manner of Overseas Direct Investment (“ODI”) by an Indian entity shall be made as prescribed in the ODI Rules, namely: (i) subscription as part of MoA or purchase of equity capital, (ii) acquisition through bidding or tender procedure, (iii) acquisition of equity capital by way of rights issue or allotment of bonus shares, (iv) capitalisation of any amount due from the foreign entity subject to applicable conditions, (v) swap of securities, and (vi) merger, demerger, amalgamation or any scheme of arrangement.

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number (“IEC”) granted by the Director General of Foreign Trade, Ministry of Commerce (“DGFT”). The IEC granted to any person may be suspended or cancelled inter-alia in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder, or the foreign trade policy would become liable to a penalty under the FTA.

### **Foreign Trade Policy, 2023**

The Foreign Trade Policy, 2023 (“FTP 2023”) was notified by the Directorate General of Foreign Trade (DGFT) under the Foreign Trade (Development and Regulation) Act, 1992, and serves as the overarching framework for the regulation, promotion, and facilitation of India’s exports and imports. Replacing the earlier Foreign Trade Policy 2015–2020, the FTP 2023 adopts a long-term and open-ended approach, aimed at enhancing India’s global trade competitiveness by providing a stable, responsive, and technology-enabled policy environment.

The FTP 2023 emphasizes export promotion in manufacturing sectors, simplification of procedures, and adoption of paperless, digital systems for trade facilitation. Key provisions relevant to our Company, which is engaged in the manufacturing and supply of electro systems and associated technologies, include:

- Export facilitation schemes such as the Export Promotion Capital Goods (EPCG) Scheme and Advance Authorization Scheme, which provide duty exemptions and concessions on import of capital goods and raw materials for use in export production.
- Towns of Export Excellence (TEE) recognition for certain manufacturing clusters, enabling targeted support for export-oriented industries.
- Encouragement of e-commerce exports and promotion of Districts as Export Hubs, which seek to integrate regional manufacturing bases into global supply chains.
- Amnesty scheme for exporters to resolve pending export obligation defaults under earlier schemes.
- A stronger push towards paperless approvals, online licensing, and automated compliance systems via the DGFT portal, reducing procedural bottlenecks for exporters.

The FTP 2023 operates in conjunction with customs notifications, Reserve Bank of India circulars, and Special Economic Zone (SEZ) regulations, creating an integrated regulatory framework for foreign trade. For our Company, the policy framework is particularly relevant in enabling export of manufactured electro systems, securing import duty benefits on raw materials and components, and leveraging trade facilitation measures that support global competitiveness.

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

### **The Code on Wages, 2019**

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified section 42(1) (2) (3) (10) (11), section 67 (2) (s)(t), and section 69 of this code predominantly concerning the constitution of the Central Advisory Board came into force on 18<sup>th</sup> December, 2020 by the Official Notification of Central Government.

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

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs. 24,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **Equal Remuneration Act, 1976**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of the state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

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

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

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

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

### **Payment of Gratuity Act, 1972**

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

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

The Employee's Compensation Act, 1923 (formerly known as the Workmen's Compensation Act, 1923) is a welfare legislation designed to provide financial protection to employees or their dependents in cases of death or personal injury arising out of and in the course of employment. The Act imposes liability on employers to pay compensation for injuries resulting in death, permanent or partial disability, or temporary disablement caused during the course of employment. The quantum of compensation is determined with reference to the nature and extent of the injury and the wage of the employee, in accordance with the provisions of the Act. The Act applies to specified categories of employees engaged in industries notified from time to time and is administered by the Commissioner for Employee's Compensation. For companies engaged in the manufacturing sector, such as ours, the provisions of this Act are particularly significant given the potential

occupational hazards associated with electrical systems manufacturing, assembly, and on-site installation work. Ensuring compliance with the Act not only safeguards the interests of our workforce but also reinforces the Company's commitment to maintaining safe workplace practices and providing statutory protection to employees and their dependents.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **The Employees' Pension Scheme, 1995**

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

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called —Deposit-Linked Insurance Fund Account.

### **Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 consolidates and replaces multiple previous labour laws related to safety, health, and working conditions of employees, including the Factories Act, 1948. The Code aims to ensure a safe and healthy working environment across establishments employing workers, including those in the services sector. The Code prescribes standards for working hours, annual leave, occupational safety measures, welfare facilities, and health provisions. It empowers the government to specify rules regarding hazardous processes and impose penalties for non-compliance. The legislation applies broadly across industrial, commercial, and service establishments and provides a framework for safeguarding worker welfare.

### **Child Labour (Prohibition and Regulation) Act, 1986**

The Child Labour (Prohibition and Regulation) Act, 1986 prohibits the employment of children below a specified age in certain hazardous occupations and regulates the conditions of work for children employed in non-prohibited industries. The Act defines "child" as any person below the age of 14 years and lays down restrictions on working hours, health and safety conditions, and remuneration for children lawfully employed. The Act is supplemented by constitutional provisions and the Right of Children to Free and Compulsory Education Act, 2009, forming part of India's legislative framework against child labour.

### **Fire Prevention Laws and the National Building Code of India, 2016**

Fire prevention and safety in commercial establishments, including IT offices and data centres, are governed by relevant state fire safety laws and regulations, supported by the provisions of the National Building Code of India, 2016 ("NBC"). The NBC provides comprehensive guidelines on building design, fire protection systems, emergency preparedness,

evacuation procedures, and installation of fire detection and suppression equipment. Compliance with fire safety norms forms a critical aspect of regulatory approvals and ongoing operational safety standards.

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

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

## **LAWS RELATING TO INTELLECTUAL PROPERTY:**

### **The Trade Marks Act, 1999 (the “Trademarks Act”)**

The Trademarks Act governs the statutory protection of trademarks and prohibits any use of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of registered trademarks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark is removed from the register of trademarks and the registration is required to be restored. Further, simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks.

### **The Patents Act 1970 (the “Patents Act”)**

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

### **The Copyright Act, 1957 and the Copyright Rules, 2013 (the “Copyright Rules”)**

The Copyright Laws governs copyright protection in India. Even while copyright registration is not a pre-requisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalties on second or subsequent convictions.

### **Designs Act, 2000**

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered undergone specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

## **OTHER GENERAL RULES & REGULATIONS:**

## **The Micro, Small and Medium Enterprises Development Act, 2006**

The MSMED Act was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising the definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions of "Micro enterprise", where the investment in plant and machinery or equipment does not exceed Rupees one crore and the turnover does not exceed Rupees five crore; "Small enterprise", where the investment in plant and machinery or equipment does not exceed Rupees ten crore and the turnover does not exceed Rupees fifty crores; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed Rupees fifty crores and the turnover does not exceed Rupees two hundred and fifty crores.

## **Competition Act, 2002**

An act to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combine calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **LAWS RELATED TO THE STATE:**

### **➤ Municipality Laws**

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

### **➤ Approvals from Local Authorities**

Setting up of a factory or manufacturing entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

*In addition to the above, the Company is required to comply with the provisions of any other applicable statutes imposed by the Centre or the State for its day-to-day operations.*



## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as a Private Limited Company under the name and style of ‘Avana Electrosystems Private Limited’ under the Companies Act, 1956, pursuant to a Certificate of Incorporation dated July 16, 2010 issued by the Deputy Registrar of Companies, Bengaluru, Karnataka (RoC). Pursuant to a special resolution passed by our shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a Public Limited Company and the name of our Company was changed to ‘Avana Electrosystems Limited’ and a fresh Certificate of Incorporation dated December 17, 2024 has been issued to our Company by the Central Processing Centre. The Corporate Identification Number of our Company is: U31400KA2010PLC054508.

The subscribers to the Memorandum of Association of our Company are K N Sreenath, Anantharamaiah Panish, Gururaj Dambal, Sanjeev Kumar Nalawar, S. Vinod Kumar, Shanmugaraj Ramaraj and Chandrasena Kudur Sreenivasa Rao.

Anantharamaiah Panish, Gururaj Dambal, S. Vinod Kumar, and K. N. Sreenath, are the Promoters of our Company. For further information, please refer to the chapter titled “*Capital Structure*” and “*Our Promoters and Promoter Group*” on page no. 75 and 201 of this Draft Red Herring Prospectus.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Restated Financial Information*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Government and Other Statutory Approvals*” on page no. 140, 117, 209, 250 and 270 respectively of this Draft Red Herring Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

The following changes have taken place in the Registered Office since incorporation.

Date of Change	From	To	Reason for change
January 02, 2013	Plot No. SB. 117, 3rd Cross, Peenya Industrial Area, 1st Stage, Bangalore 560058, Karnataka, India	Plot No. A -147/1, 3 <sup>rd</sup> Cross, 1 <sup>st</sup> Stage, Peenya Industrial Estate, Bangalore 560058, Karnataka, India	Administrative convenience
December 01, 2014	Plot No. A-147/1, 3rd Cross, 1st Stage, Peenya Industrial Estate, Bangalore 560058, Karnataka, India	Plot No. 35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli, Village, Bengaluru - 560058, Karnataka, India	Administrative convenience
September 02, 2025	Plot No. 35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli, Village, Bengaluru - 560058, Karnataka, India	No. 8, Plot No. 35, 1 <sup>st</sup> Main Road, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli, Village, Bengaluru - 560058, Karnataka, India	Correction in the Address

The Registered Office of our Company is currently situated at No. 8, Plot No. 35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase, Peenya Industrial Area, Nelagadaranahalli, Village, Bengaluru – 560058, Karnataka, India.

### MAIN OBJECTS OF OUR COMPANY

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

1. To carry on the business of manufacturers of and Dealers in various types of electronic products, switchgear products, circuit breakers, relay, control & protection panels, electric distribution boards, electronic meters, transformers, raw materials, assemblies, spares, accessories, consumables, disposables, tools, testing equipment’s, measuring instruments, telecommunication products, satellite products, information technology products, substation, automation products, SCADA, energy saving equipments, battery chargers, current transformers, power transformers and of every kind which will be required for the business of the company.
2. To design, develop, manufacture, process, compile, render technical know-how, information and services concerning industrial, commercial, scientific knowledge and to compile, make available render, advice, assist in the field of Electronics, mechanical, engineering, marketing, economic and research and also to render services and know-how

to system and management relating to electronics, electrical, mechanical, optical, data processing and computer science.

3. To carry on the business of importers, exporters, distributors, consignors, traders, whole sellers, holders, stockiest, dealers, purchasers, inventors, buyers, sellers, retailers, suppliers, re-packers, indentors, preservers, manufacturers, assemblers, agents, sub-agents, brokers, concessionaires, packers, movers, designers, or otherwise deal in all kinds of electronic, hardware, electro-mechanical and electrical components, semi-conductors, capacitors, transformers, controllers, spares, parts, integrated circuits, chips, devices, gadgets, systems, equipment's, accessories, peripherals, products, processors.

#### AMENDMENTS TO THE MEMORANDUM SINCE INCORPORATION

The following amendments have been made in the Memorandum of Association since incorporation:

Date of Meeting	Type of Meeting	Nature of Amendment
July 30, 2011	Extra Ordinary General Meeting	<b>Increase in Authorised Share Capital</b>  The existing Clause V of the Memorandum of Association of the Company as to share capital was deleted and in its place the following Clause V was substituted: <i>The Authorised Share Capital of the Company is Rs. 70,00,000 Lakhs (Rupees Seventy Lakhs) divided into 7,00,000 (Seven Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.</i>
May 03, 2012	Extra Ordinary General Meeting	<b>Increase in Authorised Share Capital</b>  The existing Clause V of the Memorandum of Association of the Company as to Share Capital was deleted and in its place the following Clause V was substituted:  <i>V. The Authorised Share Capital of the Company is Rs. 90,00,000 Lakhs (Rupees Ninety Lakhs) divided into 9,00,000 (Nine Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.</i>
November 11, 2024	Extra Ordinary General Meeting	<b>Increase in Authorised Share Capital</b>  Clause V of the Memorandum of Association of the Company was altered by deleting the existing clause and adding the following new Clause:  <i>V. The Authorised Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.</i>
December 09, 2024	Extra Ordinary General Meeting	<b>Adoption of New set of Memorandum of Association as per Table A of the Schedule I of the Companies Act, 2013</b>  <i>Adoption of New set of Memorandum of Association as per the Table - A of the Schedule I of the Companies Act, 2013.</i>
December 09, 2024	Extra Ordinary General Meeting	<b>Conversion of the Company</b>  <i>Conversion of the Company into Public Limited Company and change of the name of the Company from "Avana Electrosystems Private Limited" to "Avana Electrosystems Limited" by deletion of word "Private" from the name of the Company.</i>

#### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Calendar Year	Key Events/Milestones/Achievements
2010	Incorporation of the Company on July 16, 2010
2014	Purchase of vacant land measuring 6,492.50 sq. ft. at Peenya Industrial Area
2016	Purchase of freehold land of 4,020 Sq. Mt. of KIADB land
2018	Accredited with ISO 9001:2015 certification for our Quality Management Systems for design, manufacture, supply, testing and commissioning of control & protection panels, protective relays, substation automation systems up to 400kv and switchgear and its associated accessories.
2019	Received an order from Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) worth Rs. 7 Crore

## OTHER DETAILS ABOUT OUR COMPANY

For details of our Company's activities, products, growth, marketing strategy, competition please refer section titled "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Offer Price*" on page no. 140, 250 and 105, respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" on page no. 188 and 75 of this Draft Red Herring Prospectus respectively.

## LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, see "*Our Business*" on page no. 140 of this Draft Red Herring Prospectus.

## SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERS

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic partners or significant financial partners.

## REVALUATION OF ASSETS

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

## CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled "*Our Management*" on page no. 188 of this Draft Red Herring Prospectus.

## OUR HOLDING COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

## OUR SUBSIDIARIES, ASSOCIATE OR JOINT VENTURES

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

## DETAILS REGARDING MATERIAL ACQUISITION OR DISINVESTMENT OF BUSINESSES/ UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

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

## RAISING OF CAPITAL IN FORM OF EQUITY

For details of increase in equity capital of our company, please refer section "*Capital Structure*" on page no. 75 of this Draft Red Herring Prospectus.

## DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY THE PROMOTER AND PROMOTER GROUP

Except as disclosed in the chapter titled "*Financial Indebtedness*" beginning on page no. 246 of this Draft Red Herring Prospectus and as mentioned in this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Red Herring Prospectus except as mentioned in.

## DEFAULTS OR RESCHEDULING/ RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

As on the date of this Draft Red Herring Prospectus, our Company has not made any delays, defaults or rescheduling of borrowings with any financial institutions/banks in respect of our current borrowings from lenders.

## **CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has not been any change in the activities of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

## **CHANGES IN ACCOUNTING POLICIES IN LAST THREE (3) YEARS**

For information on changes in the accounting policies in the preceding three years from the date of this Draft Red Herring Prospectus, please refer to the Section titled “*Restated Financial Information*” beginning on page no. 209 of this Draft Red Herring Prospectus.

## **INJUNCTION OR RESTRAINING ORDERS**

Except as disclosed in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 267 of this Draft Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against our Company.

## **LOCK OUTS AND STRIKES**

There have been no instances of strikes or lock-outs at any time in our Company.

## **DETAILS OF SHAREHOLDERS’ AGREEMENT**

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Red Herring Prospectus. There are no subsisting arrangements or agreements, deeds of assignment, acquisition agreements, shareholders’ agreements, inter-se agreements, any agreements between our Company, our Promoters, and Promoter Selling Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE**

Except as mentioned in Chapter titled “*Our Management*” beginning on page no. 188 of this Draft Red Herring Prospectus, there are no agreements entered into by Key Managerial Personnel or a Director or Promoters or Senior Managerial Personnel or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## **AGREEMENTS WITH STRATEGIC PARTNERS, JOINT VENTURE PARTNERS AND/OR FINANCIAL PARTNERS AND OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus, we do not have any strategic partners or financial partners. There are no existing agreements with strategic partners, joint venture and/or financial partners or other material agreements entered into by our Company which are not in its ordinary course of business.

## **COLLABORATION AGREEMENTS**

As on the date of this Draft Herring Prospectus, the Company has not entered into any collaboration agreement.

## **OTHER MATERIAL AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Red Herring Prospectus.

## **KEY TERMS OF OTHER SUBSISTING MATERIAL AGREEMENTS**

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company. There are no other agreements/ arrangements and clauses / covenants in the agreements entered into by our Company, which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in this Draft Red Herring Prospectus.

## **TIME/ COST OVERRUN IN SETTING UP OF PROJECTS**

There has been no time and cost overruns in setting up of any projects undertaken by the Company as on date of this Draft Red Herring Prospectus.

#### **CHANGES IN ACCOUNTING POLICIES IN LAST THREE (3) YEARS**

There have been no changes in the accounting policies in the preceding three years from the date of this Draft Red Herring Prospectus.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Draft Red Herring Prospectus, the total number of equity shareholders are Eight (8). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” on page no. 75 of this Draft Red Herring Prospectus.

#### **MATERIAL CLAUSES OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

There are no material clauses of our Articles of Association that have been left out from disclosures having bearing on the Offer or this Draft Red Herring Prospectus.

#### **OTHER CONFIRMATION**

None of our Key Managerial Personnel or members of the Senior Management, Director, Promoters, or any other employee have entered into any agreement with the any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

## OUR MANAGEMENT

### OUR BOARD OF DIRECTORS

In terms of the Companies Act, our Company is authorized to have a minimum of three (3) Directors and a maximum of up to fifteen (15) Directors. As on the date of this Draft Red Herring Prospectus, we have seven (7) Directors on our Board, comprising of four (4) Executive Directors and three (3) Non-Executive Independent Directors. Out of seven (7) Directors, we have two (2) Women Directors on our Board. Our Company is in compliance with the laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details regarding our Board of Directors as on the date of filing of this Draft Red Herring Prospectus:

Name, Designation, Address, Occupation, Nationality, Date of Birth, Term, Period of Directorship and DIN	Age (in years)	Other Directorship
<b>Name: Anantharamaiah Panish</b> <b>Designation:</b> Managing Director <b>Date of Birth:</b> April 25, 1969 <b>Address:</b> #776, Flat No. T2, Thirumala Pride Apartments, 11 <sup>th</sup> Main Road, Vinayaka Layout, Nagarabhavi 2 <sup>nd</sup> Stage, Bangalore North, Nagarbhavi, Karnataka – 560072. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Current Term:</b> For a period of 5 years w.e.f. November 11, 2024. Liable to Retire by Rotation. <b>Period of Directorship:</b> Appointed as Director w.e.f. July 16, 2010. Re-Appointed as Managing Director w.e.f. November 11, 2024 for 5 years <b>DIN:</b> 00288112	56	Nil
<b>Name: Gururaj Dambal</b> <b>Designation:</b> Whole-Time Director <b>Date of Birth:</b> July 08, 1977 <b>Address:</b> 51/149, 5A Cross, Tunganagar, Syndicate Bank Layout, Bangalore North, Bengaluru, Viswanedam, Karnataka – 560091. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Current Term:</b> For a period of 5 years w.e.f. November 11, 2024. Liable to Retire by Rotation. <b>Period of directorship:</b> Appointed as Director w.e.f. July 16, 2010 Re-Appointed as Whole-Time Director w.e.f. November 11, 2024. <b>DIN:</b> 03099402	48	Nil
<b>Name: S Vinod Kumar</b> <b>Designation:</b> Whole-Time Director <b>Date of Birth:</b> January 13, 1984 <b>Address:</b> No.135, 3 <sup>rd</sup> Cross Road, Sapthagiri Residency, Muthurayana Nagara, Mysore Road, Kenchenahalli, Bangalore South, Rv Niketan, Karnataka – 560059. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Current Term:</b> For a period of 5 years w.e.f. November 11, 2024. Liable to Retire by Rotation. <b>Period of directorship:</b> Appointed as Director w.e.f. July 16, 2010.	41	NIL

Name, Designation, Address, Occupation, Nationality, Date of Birth, Term, Period of Directorship and DIN	Age (in years)	Other Directorship
Re-Appointed as Whole-Time Director w.e.f. November 11, 2024 for 5 years. <b>DIN:</b> 03115822		
<b>Name:</b> K N Sreenath <b>Designation:</b> Executive-Director <b>Date of Birth:</b> May 20, 1979 <b>Address:</b> No.676 Dhikshitharagalli, Magadi Town, VTC Magadi, Ramanagar, Karnataka, 562120. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Current Term:</b> Liable to Retire by Rotation. <b>Period of Directorship:</b> Appointed as Director w.e.f. July 16, 2010. Re- Appointment as Executive Director w.e.f. August 04, 2025 <b>DIN:</b> 03099421	46	Nil
<b>Name:</b> Sheela Arvind <b>Designation:</b> Independent Director <b>Date of Birth:</b> April 15, 1969 <b>Address:</b> #29, Vedamangala, Ashtagrama Layout, Kamakshipalya Traffic Police Station, Kamakshipalya, Bangalore North, Karnataka – 560079 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Current Term:</b> For a period of 5 years w.e.f. August 04, 2025. Not liable to Retire by Rotation. <b>Period of Directorship:</b> Appointed as Independent Director w.e.f. August 04, 2025. <b>DIN:</b> 01020390	56	1. Applied Realtech Systems Private Limited 2. Sam Infoways India Private Limited 3. DRS Management Consultants Private Limited 4. Pasari Spinning Mills Limited
<b>Name:</b> Shital Darak Mandhana <b>Designation:</b> Independent Director <b>Date of Birth:</b> December 25, 1984 <b>Address:</b> I-2502, 25 <sup>th</sup> floor, Gate 1, Mantri Serenity, off Kanakapura Road, Near Doddakallasandra, Bengaluru, Karnataka – 560062 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Current Term:</b> For a period of 5 years w.e.f. August 04, 2025. Not liable to Retire by Rotation. <b>Period of Directorship:</b> Appointed as Independent Director w.e.f. August 04, 2025. <b>DIN:</b> 07043909	40	Nil
<b>Name:</b> Nama Sreeramaiah Kishore <b>Designation:</b> Independent Director <b>Date of Birth:</b> December 12, 1981 <b>Address:</b> 377 2 <sup>nd</sup> Floor, 22 <sup>nd</sup> Main, Near Sriram Adithya Apartment, Arehalli AGS Layout, Bangalore South, Subramanyapura, Karnataka – 560061 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Current Term:</b> For a period of 5 years w.e.f. August 04, 2025. <b>Period of Directorship:</b> Appointed as Independent Director w.e.f. August 04, 2025. <b>DIN:</b> 11222235	43	Nil

#### BRIEF PROFILE OF THE DIRECTORS

**Anantharamaiah Panish**, aged 56 years, is one of the Promoters and the Managing Director of our Company. He holds a Bachelor's Degree in Electrical Engineering from the Bangalore University. He has over 32 years of experience as an electrical engineering and has been involved in setting up our Company in the year 2010. He continues to lead our Company with his expertise and currently looks after the operations and marketing activities of the Company including - sales, testing and after sales service of the Company.

**Gururaj Dambal**, aged 48 years, is a Promoter and Whole Time Director of our Company. He holds a Diploma in Electronics and Communication Engineering from the Department of Technical Education, Government of Karnataka and has 24 years of experience in the Electrical Industry. He has promoted our company along with the other promoters in the year 2010. Currently he looks after the product development, automation, purchase, assembly, testing and delivery in relay unit.

**S Vinod Kumar**, aged 41 years, is one of the Promoters and Whole Time Director of our Company. He holds a Bachelor's Degree in Electrical Engineering from the Thapar University, Patiala and a Diploma in Electrical & Electronics Engineering from Mysore Technical Education Society, Bangalore. He has 23 years of professional expertise in the Electrical Industry. His core expertise lies in production, purchase and procurement.

**K N Sreenath**, aged 46 years, is one of the Promoters and Directors of our Company. He has around 22 years of experience in the accountancy and finance. His commitment to financial control has contributed to the growth and efficiency of our Company and he is currently in charge of Accounting, Finance and HR operations of the Company.

**Sheela Arvind**, aged 56 years, is one of the Independent Directors of our Company. She is a Fellow Member of the Institute of Company Secretaries of India and holds a bachelor's degree in commerce from the University of Mysore, a Bachelor's Degree in Law from the Karnataka State Law University, Hubballi and a Diploma in Business Administration from the Department of Technical Education, Government of Karnataka. She is a Practicing Company Secretary with 22 years of expertise in Corporate Governance, Secretarial Compliance, CSR, ESG, Social Audit, Drafting, Taxation and compliance laws.

**Shital Darak Mandhana**, aged 40 years, is one of Independent Directors of our Company. She is a Fellow Member of the Institute of Company Secretaries of India. She holds a Bachelor's Degree in Commerce from the University of Mumbai, a Bachelor's Degree in Law from the Mumbai University, and a Master of Arts in Business Law from NUJS. She is a Certified Forensic Examiner. She is also a Registered Valuer registered with the Insolvency and Bankruptcy Board of India. She is a Practicing Company Secretary and the founder of ProCS Legal, a firm providing legal, secretarial, and business consultancy services since 2015. She has an overall experience of about 14 years. She brings experience in the field of valuation, financial analysis and research, compliance management, ITR Management and Team Management skills to the Board.

**Kishore N S**, aged 43 years, is one of the Independent Directors of our Company. He is a member of the Institute of Chartered Accountants of India, holds a Bachelor's Degree in Business Management from the Bangalore University and is a Practicing Chartered Accountant. He has over 14 years of experience across a broad spectrum of financial, regulatory, and strategic advisory services. He specializes in Audit & Assurance, Taxation (both Direct and Indirect), Corporate Law & Secretarial Services, Financial Advisory, Business Valuation & Transaction Support, Internal Controls & SOP Implementation.

## CONFIRMATIONS

- None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.
- None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.
- Further, none of our directors have been identified as Wilful Defaulters or a Fraudulent Borrower as defined under the SEBI ICDR Regulations.



- None of our Directors have been identified or declared as a fugitive economic offender under the provisions of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is prohibited from accessing capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- None of our independent directors have any relation, including but not limited to fiduciary relations with our directors, promoters and promoters' group, group companies and any other entities controlled or influenced by our promoters or directors.
- There are no conflicts of interests between the third-party service providers (except in the ordinary course of business and which are crucial for operations of the Company) and the Company, Directors, Key Managerial Personnel and Senior Managerial Personnel.
- Except for the business relationship that may exist between the Company, Director and the lessor of the immovable properties, (crucial for operations of the company), There are no conflict of interest between the lessor of the immovable properties, (except in the ordinary course of business and which are crucial for operations of the company) and the Company, Directors, Key Managerial Personnel and Senior Managerial Personnel.

## RELATIONSHIP BETWEEN OUR DIRECTORS

None of our directors are related to each other.

## ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There is no arrangement or understanding with any major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on our Board. For details, see “*History and Certain Corporate Matters – Material Agreements*” on page no. 186 of this Draft Red Herring Prospectus.

We confirm that as of the date of this Draft Red Herring Prospectus, none of our Directors, KMPs, SMPs have any conflict of interest with the third-party service providers (crucial for operations of our Company).

## SERVICE CONTRACTS

None of our directors have entered into any service contracts with our Company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our Company. However, Executive Directors of our Company are appointed for specific terms and conditions. Their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

## BORROWING POWERS OF THE BOARD OF DIRECTORS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on August 04, 2025 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, our Board has been authorised to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and its free reserves, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 6,000 Lakhs (rupees six thousand lakhs) by way of fund based facilities and non-fund based facilities over and above the aggregate of the paid-up share capital and free reserves of the Company.

## TERMS OF APPOINTMENT OF EXECUTIVE DIRECTORS

Directors	Anantharamaiah Panish	Gururaj Dambal	S Vinod Kumar	K N Sreenath
<b>Date of Appointment</b>	Appointed as Director w.e.f. July 16, 2010. Re-appointed as Managing Director w.e.f. November 11, 2024.	Appointed as Director w.e.f. July 16, 2010. Re-appointed as Whole-Time Director w.e.f. November 11, 2024.	Appointed as Director w.e.f. July 16, 2010. Re-appointed as Whole-Time Director w.e.f. November 11, 2024.	Appointed as Director w.e.f. July 16, 2010. Re-appointment as Executive Director

				w.e.f. August 04, 2025
<b>Period</b>	For a period of 5 years w.e.f. November 11, 2024.	For a period of 5 years w.e.f. November 11, 2024.	For a period of 5 years w.e.f. November 11, 2024.	Not Applicable
<b>Remuneration Terms</b>	Remuneration not exceeding 10% of the net profit	Remuneration not exceeding 10% of the net profit	Remuneration not exceeding 10% of the net profit	Remuneration not exceeding 10% of the net profit
<b>Salary &amp; Perquisites</b>	₹ 6,59,000/- per month w.e.f. April 01, 2025 in the scale of ₹ 75.00 lakhs to 100.00 lakhs per annum, with such annual increments / increases as may be decided by the Board of Directors from time to time.	₹ 5,43,000/- per month w.e.f. April 01, 2025 in the scale of ₹ 60.00 lakhs to 70.00 lakhs per annum, with such annual increments / increases as may be decided by the Board of Directors from time to time.	₹ 4,52,000/- per month w.e.f. April 01, 2025 in the scale of ₹ 50.00 lakhs to 55.00 lakhs per annum, with such annual increments / increases as may be decided by the Board of Directors from time to time.	₹ 4,47,000/- per month w.e.f. April 01, 2025 in the scale of ₹ 50.00 lakhs to 55.00 lakhs per annum, with such annual increments / increases as may be decided by the Board of Directors from time to time.
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.	In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Whole-time Director shall, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.	In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Whole-time Director shall, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.	In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Executive Director shall, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time
<b>Remuneration paid in FY 2024-25 (₹ in Lakhs)</b>	61.20	47.28	38.76	38.16

#### **PAYMENT OF COMPENSATION OR BENEFIT TO INDEPENDENT DIRECTORS OF OUR COMPANY**

The sitting fees payable to the Independent Directors of our Company is ₹ 30,000/- (Rupees Thirty thousand only) for each Board Meeting. No sitting fee shall be payable for any Committee Meeting conducted on the same day as a Board Meeting. Further, he/she shall be entitled to a sitting fee of ₹ 5,000/- (Rupees Five Thousand Only) for each Committee Meeting held on a day other than the Board Meeting Day, inclusive of at meetings attended.

#### **BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS**

Our Company does not have any bonus or profit-sharing plan for its directors, which does not form part of their remuneration.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors.

## SHAREHOLDING OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company. The following table details the shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Name of the Director	No. of Equity Shares	% of Pre-Offer Equity Share Capital	% of Post-Offer Equity Share Capital
Anantharamaiah Panish	44,41,580	25.42	[●]
Gururaj Dambal	44,41,580	25.42	[●]
S Vinod Kumar	41,44,580	23.72	[●]
K N Sreenath	44,41,580	25.42	[●]

### Interest of Directors

All the Directors may be deemed to be interested to the remuneration paid to them for services rendered to the Company and also to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them under the Articles of Association.

All the Directors may also be deemed to be interested to the extent of Equity Shares, already held by them, if any, or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

Other than our Promoters, none of our Directors have any interest in the promotion or formation of our Company.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of our other Directors have any interest in any property acquired or proposed to be acquired or leased by our Company or in any transaction for acquisition of land, construction of building and supply of machinery, etc.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations.

No loans have been availed by our Directors from our Company as on date of filing of this Draft Red Herring Prospectus. *Except as stated above and under the headings “Restated Financial Information - Note 23 – Related party Transactions beginning on page 209 of this Draft Red Herring Prospectus, under the section titled “Financial Information”, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.*

Except as stated under “Restated Related Party Transactions” under Chapter titled “Restated Financial Information” beginning on page 209 of the Draft Red Herring Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our directors are interested directly or indirectly.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

The following changes have taken place in the Board of Directors of our Company since incorporation: -

Sr. No.	Name	Date of Appointment/ change/Resignation	Change (appointment / change in designation / cessation)	Designation (at the time of appointment / change in designation / cessation)	Reason
1	Anantharamaiah Panish	November 11, 2024	Redesignation	Managing Director	To ensure better Corporate Governance and

					compliance with the Companies Act, 2013
2	Gururaj Dambal	November 11, 2024	Redesignation	Whole Time Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
3	S Vinod Kumar	November 11, 2024	Redesignation	Whole Time Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
6	Rajesh Dakshayini	August 01, 2025	Resignation	Director	Due to Personal Reasons
7	Sheela Arvind	August 04, 2025	Appointment	Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
8	Shital Darak Mandhana	August 04, 2025	Appointment	Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
9	Kishore N S	August 04, 2025	Appointment	Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an Offer in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good corporate governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including two woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Committees of the Board in accordance with the SEBI Listing Regulations

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act 2013:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

#### Audit Committee

The Audit Committee has been constituted vide Board Resolution dated August 29, 2025. The constitution of our Audit Committee is as under:

Name of Director	Position in the Committee	Designation
Kishore N S	Chairman	Independent Director

Sheela Arvind	Member	Independent Director
K N Sreenath	Member	Executive Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and its terms of reference are as follows:

The role of the Audit Committee shall include the following:

- I Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- 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 auditors report thereon before submission to the Board for approval, with particular reference to:
  - i. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report.
- V Reviewing, with the management, the half yearly 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents, and making appropriate recommendations to the Board to take up steps in this matter;
- VII Review and monitor the auditor's independence, performance and effectiveness of audit process;
- VIII Approval or any subsequent modification of transactions of the Company with related parties which includes omnibus approval for related parties transactions subject to conditions as specified under rules;
- IX Scrutiny of inter-corporate loans and investments;
- X Valuation of undertakings or assets of the company, 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 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 oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
- XIX Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- XX To investigate any other matters referred to by the Board of Directors;
- XXI Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee shall mandatorily review the following information:

- b. Management discussion and analysis of financial information and results of operations;
- c. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- d. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- e. Internal audit reports relating to internal control weaknesses; and

- f. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- g. Statement of deviations:
  - (i) half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus

The Audit Committee is required to meet at least four times in a year, with not more than 120 days elapsing between two meetings.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been constituted vide Board Resolution dated August 29, 2025. The constitution of the Nomination and Remuneration Committee is as under:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Sheela Arvind	Chairperson	Independent Director
Shital Darak Mandhana	Member	Independent Director
Kishore N S	Member	Independent Director

The role of the Nomination and Remuneration Committee shall be as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
- (ii) Formulation of criteria for evaluation of independent directors and the Board;
- (iii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (iv) Devising a policy on Board diversity; and
- (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 their appointment and removal.

The Nomination and Remuneration Committee shall meet at least once a year.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee has been constituted vide the Board meeting held on August 29, 2025. The constitution of the Stakeholders Relationship Committee is as under:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Shital Darak Mandhana	Chairperson	Independent Director
Sheela Arvind	Member	Independent Director
Anantharamaiah Panish	Member	Managing Director

The scope and function of the Stakeholders Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures, if any;
- (ii) Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
- (iii) Reviewing on a periodic basis the approval/ refusal of transfer or transmission of shares, debentures or any other securities;
- (iv) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- (v) Allotment and listing of shares;
- (vi) Reference to statutory and regulatory authorities regarding investor grievances; and
- (vii) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- (viii) Any other power specifically assigned by the Board of Directors of the Company

The Stakeholders Relationship Committee shall meet atleast once a year.

## **CORPORATE SOCIAL RESPONSIBILITIES (CSR) COMMITTEE**

The CSR Committee has been constituted vide the Board meeting held on August 29, 2025. The constitution of the CSR Committee is as under:

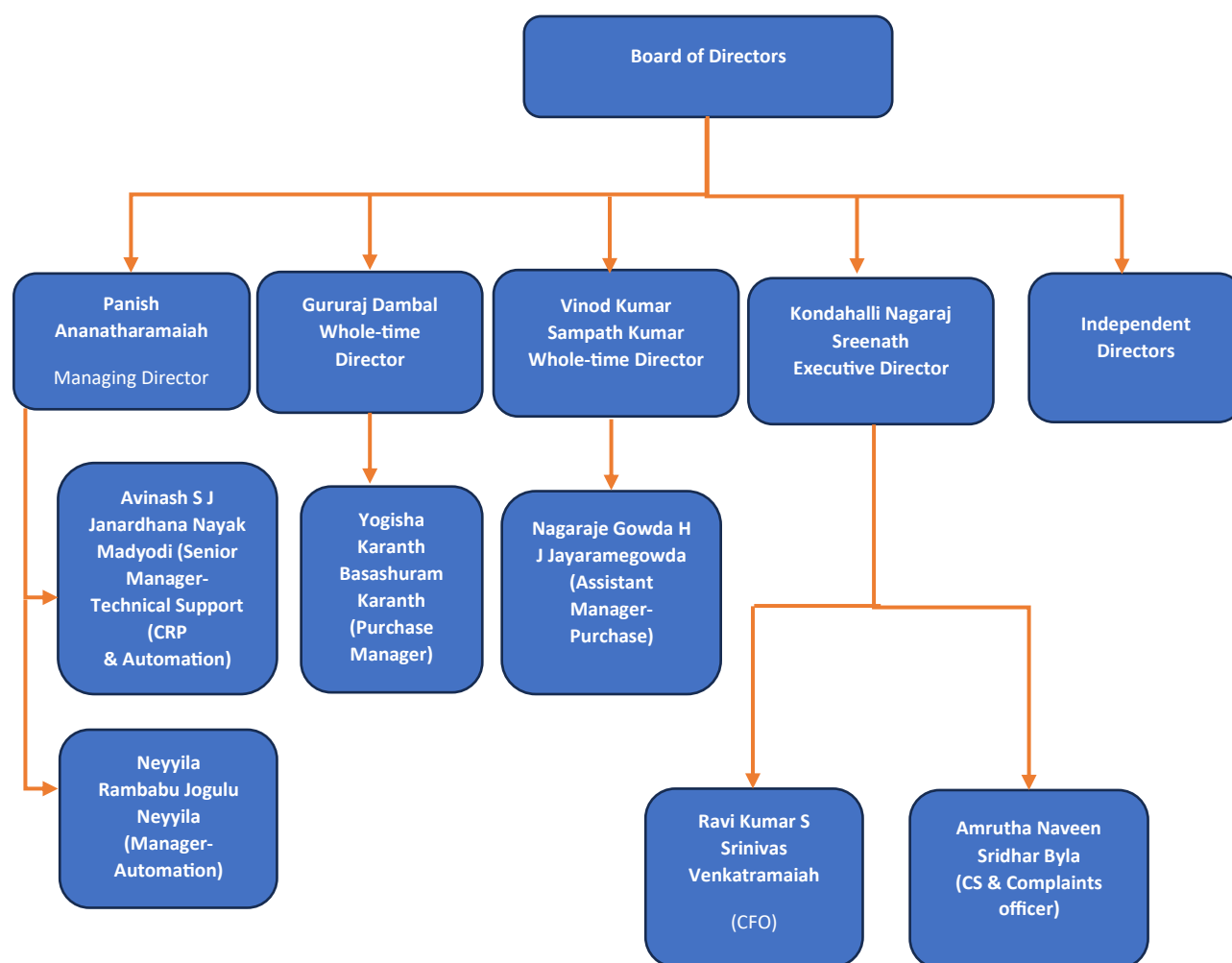
<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Kishore N S	Chairman	Independent Director
Gururaj Dambal	Member	Whole-Time Director
S Vinod Kumar	Member	Whole-Time Director

The scope and function of the Corporate Social Committee is in accordance with Section 135(3) read with Rule 5 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 are as follows:

- (i) formulate and recommend to the Board, a CSR policy;
- (ii) Outlining the activities to be undertaken by the Company in accordance with the applicable laws.
- (iii) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy;
- (iv) Monitor the implementation of the CSR Policy and recommend the amount of expenditure to be incurred on such CSR activities; and
- (v) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## MANAGEMENT ORGANIZATIONAL STRUCTURE

The Management Organization Structure of the Company is depicted from the following chart:



## OUR KEY MANAGEMENT PERSONNEL

In addition to Anantharamaiah Panish, Gururaj Dambal and S Vinod Kumar, whose details have been provided above, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus is as under:

**Ravi Kumar S** aged 35 years is the Chief Financial Officer of the Company. He has been appointed as CFO w.e.f. September 01, 2025. He is a Member of the Institute of Chartered Accountants of India. He holds a Bachelors of Commerce from Bangalore University. Before joining our Company, he was Manager (FA & MIS) in Karnataka Seeds Corporation Limited and has about 9 years of experience. He has not been paid any remuneration during the financial year ended March 31, 2025 and for the current year up to the date of this Draft Red Herring Prospectus.

**Amrutha Naveen** aged 37 years is the Company Secretary and Compliance Officer of our Company. She has been appointed as Company Secretary and Compliance Officer w.e.f. August 29, 2025. She holds a Master of Science (Nuclear Chemistry) from Andhra University, and is an Associate Member of the Institute of Company Secretaries of India. Before joining the Company, she was a Company Secretary in Meenakshi Agro and Flour Mill Private Limited and has 4 years of experience in the Secretarial Compliances and Advisory. She is also a Non-Executive Director on the Board of M-Panels Research Services Private Limited. She has not been paid any remuneration during the financial year ended March 31, 2025 and for the current year up to the date of this Draft Red Herring Prospectus.

### Senior Management Personnel

**Avinash S J** aged 40 years is the Senior Manager- Technical Support (CRP & Automation). He has been associated with our company since December 2010. He holds a Diploma in Electronics and Communications Engineering from Vivekanada Polytechnic, Puttur and has about 18 years of overall experience.



**Nagaraje Gowda H.J** aged 37 years is the Assistant Manager -Purchase. He has been associated with our company since July 2010. He holds Post Graduate Diploma in Management in Finance from Bangalore University. He has also completed Bachelor of Arts (B.A) from Bangalore University. He has about 14 years of overall experience.

**Neyyila Rambabu** aged 54 years is the Manager-Automation. He has been associated with our company since August 2024. He holds a Diploma in Electronics and Communication Engineering from State Board of Technical Education, Andra Pradesh and has about 33 years of overall experience.

**Yogisha Karanth** aged 35 years is the Purchase Manager of our Company. He has been associated with our company since April 2023. He holds a Bachelor's Degree in Engineering from VTU University and has about 10 years of overall experience.

#### **SHAREHOLDING OF KEY MANAGEMENT PERSONNEL / SENIOR MANAGEMENT PERSONNEL**

None of the Key Managerial Personnel except our Directors hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. For further details, please refer to section titled "*Capital Structure*" on page 75 of this Draft Red Herring Prospectus.

#### **Notes:**

1. All the Key Managerial Personnel / Senior Management Personnel mentioned above are permanent employees of our Company., None of the other Key Managerial Personnel / Senior Management Personnel are related to each other or to any Director of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above-mentioned Key Managerial Personnel / Senior Management Personnel have been recruited.
3. As on the date of filing of this Draft Red Herring Prospectus, our Company does not have a performance linked bonus or a profit-sharing plan with the Key Managerial Personnel/ Senior Management Personnel.
4. There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.
5. No non-salary-related payments or benefits have been made to our key management personnel based on targets achieved and general performance.
6. Our Key Managerial Personnel / Senior Management Personnel are governed by the terms of their appointment letters/employment contracts and have not entered into any other service contracts with our Company. No officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

#### **CHANGES IN THE KEY MANAGEMENT PERSONNEL / SENIOR MANAGEMENT PERSONNEL SINCE INCORPORATION:**

Except as stated below, there have been no changes in the Key Management Personnel since incorporation.

<b>Sr. No.</b>	<b>Name of the KMP</b>	<b>Date of Appointment / Cessation</b>	<b>Remarks</b>
1	Anantharamaiah Panish	November 11, 2024	Redesignation as Managing Director
2	Gururaj Dambal	November 11, 2024	Redesignation as Whole Time Director
3	S Vinod Kumar	November 11, 2024	Redesignation as Whole Time Director
4	Ravi Kumar S	September 01, 2025	Appointment as Chief Financial Officer
5	K N Sreenath	September 01, 2025	Resigned as Chief Financial Officer
6	Amrutha Naveen	August 29, 2025	Appointment as Company Secretary

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our Key Management Personnel has any interest in our Company except to the extent of their shareholding, remuneration, benefits, loans, reimbursement of expenses incurred by them in the ordinary course of business.

#### **LOANS GIVEN/ AVAILED BY DIRECTORS/ KEY MANAGERIAL PERSONNEL OF OUR COMPANY**

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to "*Note 23- Related Party Transactions*" beginning on page no. 209 of this Draft Red Herring Prospectus.

#### **EMPLOYEE STOCK OPTION AND STOCK PURCHASE SCHEMES**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option and stock purchase schemes.

#### **PAYMENT OR BENEFIT TO KEY MANAGERIAL PERSONNEL OF OUR COMPANY**

- Except the statutory payments made by our Company, our Company has not paid any sum to the Key Managerial Personnel and Senior Management Personnel in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to them.
- All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.
- There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our other Key Managerial Personnel or Senior Management Personnel was selected as Key Managerial Personnel or Senior Management Personnel.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with our Company.
- Our Company does not have any Bonus / Profit sharing plan for any of the Key Managerial Personnel and Senior Management Personnel, except as stated in the terms of their appointment.
- None of our Key Managerial Personnel and Senior Management Personnel has been granted any benefits in kind from our Company, except to the extent of perquisites as provided under the Company's Human Resource / Employee Policy.
- No benefits are granted upon their termination from employment other than statutory benefits provided by our Company.
- In respect of all above mentioned Key Managerial Personnel and Senior Management Personnel, there has been no contingent or deferred compensation accrued for the financial year ended March 31, 2025.



#### **EMPLOYEE STOCK OPTION SCHEMES**



As on date of this Draft Red Herring Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.

## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Anantharamaiah Panish, Gururaj Dambal, S. Vinod Kumar, and K. N. Sreenath. As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,74,69,320 Equity Shares of Rs. 10/- each, representing 99.99% of the Issued, Subscribed and Paid-Up Equity Share Capital of our Company. For details of the Capital build-up of our Promoters, please see the section titled “*Capital Structure*” on page no. 75 of this Draft Red Herring Prospectus.

**The details of our Promoters are as follows:**

	<p><b>Anantharamaiah Panish</b>, aged 56 years, is the Promoter and Managing Director of our Company.</p> <p>For complete profile of Anantharamaiah Panish, i.e., his date of birth, age, residential address, educational qualifications, professional experience, his business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see “<i>Our Management</i>” on page no. 188<b>Error! Bookmark not defined.</b> of this Draft Red Herring Prospectus.</p> <p>As on date of filing of this Draft Red Herring Prospectus, Anantharamaiah Panish holds 44,41,580 Equity Shares representing 25.42 % of the subscribed and paid-up Equity Share capital of our Company.</p> <p>His Permanent Account Number is AHHPP7696K.</p> <p>Other than as disclosed in “<i>Our Management</i>” on page 188 Anantharamaiah Panish is not involved in any other venture.</p>
	<p><b>Gururaj Dambal</b>, aged 48 years, is the Promoter and Whole Time Director of our Company.</p> <p>For complete profile of Gururaj Dambal, i.e., his date of birth, age, residential address, educational qualifications, professional experience, his business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see “<i>Our Management</i>” on page no. 188<b>Error! Bookmark not defined.</b> of this Draft Red Herring Prospectus.</p> <p>As on date of filing of this Draft Red Herring Prospectus, Gururaj Dambal holds 44,41,580 Equity Shares representing 25.42 % of the subscribed and paid-up Equity Share capital of our Company.</p> <p>His Permanent Account Number is AIIPD2957R.</p> <p>Other than as disclosed in “<i>Our Management</i>” on page 188 Gururaj Dambal is not involved in any other venture.</p>

	<p><b>Mr. S. Vinod Kumar</b>, aged 41 years, is the Promoter and Whole Time Director of our Company.</p> <p>For a complete profile of S. Vinod Kumar, i.e., his date of birth, age, residential address, educational qualifications, professional experience, his business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see “<i>Our Management</i>” on page no. 188<b>Error! Bookmark not defined.</b> of this Draft Red Herring Prospectus.</p> <p>As on date of filing of this Draft Red Herring Prospectus, S. Vinod Kumar holds 41,44,580 Equity Shares representing 23.72 % of the subscribed and paid-up Equity Share capital of our Company.</p> <p>His Permanent Account Number is ADYPV2497B.</p> <p>Other than as disclosed in “<i>Our Management</i>” on page 188, S. Vinod Kumar is not involved in any other venture.</p>
	<p><b>Mr. K. N. Sreenath</b>, aged 46 years, is the Promoter and Executive Director of our Company.</p> <p>For a complete profile of K. N. Sreenath, i.e., his date of birth, age, residential address, educational qualifications, professional experience, his business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see “<i>Our Management</i>” on page no. 188<b>Error! Bookmark not defined.</b> of this Draft Red Herring Prospectus.</p> <p>As on date of filing of this Draft Red Herring Prospectus, K. N. Sreenath holds 44,41,580 Equity Shares representing 25.42% of the subscribed and paid-up Equity Share capital of our Company.</p> <p>His Permanent Account Number is BCMPS9471E.</p> <p>Other than as disclosed in “<i>Our Management</i>” on page 188 K.N Sreenath is not involved in any other venture.</p>

## DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number and Driving License Number, Passport Number and Bank Account Number of our Promoters will be submitted to the Stock Exchange i.e. EMERGE Platform of the NSE Limited, where the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

## CHANGE IN CONTROL OF OUR COMPANY

There has been no change in control of our Company in the last 5 (five) years.

## INTERESTS OF OUR PROMOTERS

Our Promoters are interested in our Company (i) to the extent that they have promoted our Company (ii) to the extent of their shareholding in our Company, (iii) to the extent of the shareholding of other entities promoted by them and invested in our company, and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details of the shareholding of our Promoter in our Company, see “*Capital Structure*” on page no. 75**Error! Bookmark not defined.** of this Draft Red Herring Prospectus. For further details of interest of our Promoter in our Company, see “*Our Management*” and “*Restated Financial Statements*” on page no. 188 and 209 respectively of this Draft Red Herring Prospectus.

### *Interest of Our Promoters in the property of the Company*

Our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

***Interest of our Promoters in acquisition of land, construction of building and supply of machinery, etc.***

Our Promoters do not have any interest in any transaction by our Company for acquisition of land or construction of building or supply of machinery, during the three (3) years preceding the date of this Draft Red Herring Prospectus. For further details, see “*Our Business*” on page no. 140 of this Draft Red Herring Prospectus. Further, except as stated in “*Restated Financial Statements – Note 23 - Related Party Transactions*” beginning on page no. 209 of this Draft Red Herring Prospectus and to the extent set out above under “*Interests of Directors*”, our Promoters do not have any other interest in our business.

***Interest of our Promoters in our Company arising out of being a member of a firm or company***

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member in cash or shares or otherwise by any person either to induce our Promoters or to become or qualify them as promoters otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

**COMPANIES OR FIRMS WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus.

**EXPERIENCE IN THE BUSINESS OF OUR COMPANY**

Our Promoters are experienced in the line of businesses in which are our Company operates. For details in relation to the experience of our Promoters in the business of our Company, please see “*Our Management*” on page no. 188 of this Draft Red Herring Prospectus.

**OTHER VENTURES OF OUR PROMOTERS**

Other than as disclosed in the section “*Our Management – Other Directorships*” on page no. 189 **Error! Bookmark not defined.** of this Draft Red Herring Prospectus, our Promoters are not involved in any other ventures.

**INTEREST OF PROMOTERS IN OUR COMPANY OTHER THAN AS A PROMOTER**

Our Promoters, Anantharamaiah Panish is the Managing Director, Gururaj Dambal and S. Vinod Kumar are the Whole-Time Directors and K. N. Sreenath is the Executive Director of our Company; therefore, they may be deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Except as stated in this section and the section titled “*Our Management*”, “*Financial Indebtedness*” and “*Restated Financial Information*” beginning on page no. 188, 246 and 209, respectively, our Promoters do not have any interest in our Company other than as Promoters.

**PAYMENT OR BENEFITS TO OUR PROMOTER OR PROMOTER GROUP**

Except as disclosed herein and as stated in “*Restated Financial Statements*” on page no. 209 **Error! Bookmark not defined.** of this Draft Red Herring Prospectus, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the three years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

**RELATED PARTY TRANSACTIONS**

Except as stated in the Chapter titled “*Financial Information-Related Party Transactions*” beginning on page 209 of this Draft Red Herring Prospectus, our Company has not entered related party transactions with our Promoters.

**COMMON PURSUITS OF OUR PROMOTERS**

Our Promoters do not have any interest in any venture which is carrying on any activities similar to those conducted by our Company.

## **OTHER CONFIRMATIONS**

Our Company and Promoters have confirmed that they have not been declared as wilful defaulters or Fraudulent Borrowers or by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, Promoter Group or Directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, Promoter Group or Directors do not have direct or indirect relation with the companies, its Promoters and whole-time directors, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Our Promoters or Directors are not a fugitive economic offender.

We and our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “*Outstanding Litigation and Material Developments*” appearing on page no. 267 of this Draft Red Herring Prospectus.

Our Promoters are not related to each other.

There are no conflicts of interests between the third-party service providers (crucial for operations of the Company) and the Company, Promoters and Promoter Group.

Except for the business relationship that may exist between the Company, Promoters and Promoter Group and the lessor of the immovable properties, (crucial for operations of the company), there are no conflicts of interest between the lessor and the Company, Promoters and Promoter Group.

## **MATERIAL GUARANTEES**

Other than as disclosed in “*Financial Indebtedness – Guarantee*” on page no. 246, our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

## **OUR PROMOTER GROUP**

### ***Individuals forming part of the Promoter Group***

In addition to the Promoters mentioned above, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

**I. Individuals who are a part of our Promoter Group:**

**a. Anantharamaiah Panish**

Relationship with Promoter	Name
Father	Anantharamaiah H K
Mother	Late Meenakshi N K
Spouse	Rama Subramanyam
Brother(s)	Satish A
Sister (s)	Nalini Murthy
Son(s)	Ninaad P
Daughter(s)	Neetha P
Spouse's Father	Late C N Subramanyam
Spouse's Mother	Late Saraswathi C N
Spouse's Brother(s)	<ul style="list-style-type: none"> <li>• Subramanyam Chandrashekar</li> <li>• Subramanyam Bhaskar</li> <li>• Nagendra S</li> </ul>
Spouse's Sister(s)	NA

**b. Gururaj Dambal**

Relationship with Promoter	Name
Father	Late Prabhakar Dambal
Mother	Ramabai Dambal
Spouse	Smita Dambal
Brother(s)	NA
Sister (s)	Jyothi Ramesh Joshi
Son(s)	NA
Daughter(s)	<ul style="list-style-type: none"> <li>• Poorvi Dambal</li> <li>• Parnika Dambal</li> </ul>
Spouse's Father	Krishnachary Rangacharya Joshi
Spouse's Mother	Radha Joshi
Spouse's Brother(s)	NA
Spouse's Sister(s)	<ul style="list-style-type: none"> <li>• Lata Gadagkar</li> <li>• Mukta Joshi</li> </ul>

**c. S. Vinod Kumar**

Relationship with Promoter	Name
Father	Late Sampath Kumar K
Mother	Late Suriya Kumari S
Spouse	Nithya M
Brother(s)	Jagan Sampathkumar
Sister (s)	NA
Son(s)	Shankar V N
Daughter(s)	Sudhiksha V N
Spouse's Father*	R. Manoharan
Spouse's Mother*	Sumathi
Spouse's Brother(s)	Late Satish Kumar M
Spouse's Sister(s)	NA

*\*S Vinod Kumar's spouse's parents are divorced and details of Mr. R Manoharan, are not available.*

**d. K.N. Sreenath**

Relationship with Promoter	Name
Father	Late K. R. Nagaraj
Mother	Late K R Nagamani
Spouse	Usha G
Brother(s)	K N Ranganath
Sister (s)	NA
Son(s)	NA
Daughter(s)	<ul style="list-style-type: none"><li>• Bhargavi K S</li><li>• Mahalakshmi K S</li></ul>
Spouse's Father	B V Gopala Battacharya
Spouse's Mother	G V Komala
Spouse's Brother(s)	Venkatesh Gopal
Spouse's Sister(s)	NA

***Entities forming part of our Promoter Group:***

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Sl. No.	Nature of Relationship	Entities
1.	Subsidiary of the Promoter	NA
2.	Holding Company of the Promoter	NA
3.	Any Body Corporate in which 20% or more of the Share Capital is held by the Promoters or an immediate relative of the Promoters or a firm or Hindu Undivided Family in which the Promoters or any one or more of his immediate relatives is a member;	<ul style="list-style-type: none"><li>• Target Shipping Private Limited</li></ul>
4.	Any Body Corporate which holds twenty per cent. or more, of the equity share capital of the Issuer; and	NA
5.	Any Body Corporate in which a body corporate as provided in (4) above holds twenty per cent. or more, of the Equity Share Capital	NA
6.	Any Hindu Undivided Family or Firm in which the aggregate share of the Promoter and their relatives is equal to or more than twenty per cent of the total Equity Share Capital	NA

***Other Persons included in Promoter Group:***

None of the other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018.



## OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Company as considered material by our Board.

Further, pursuant to a resolution of our Board dated September 05, 2025 for the purpose of disclosure in relation to Group company in connection with the Offer, a company shall be considered material and disclosed as a Group company if such company fulfills both the below mentioned conditions:

- a. The companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements ("**Restated Financial Statements**"); or
- b. If such company fulfills both the below mentioned conditions: -
  - i. Such company that forms part of the Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR) Regulations; and
  - ii. The Company has entered into one or more transactions with such company in preceding completed fiscal year as the case may be exceeding 10.00% of total revenue of the Company as per Restated Financial Statements.

As per the above definition, there are no companies/ entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company/entity.

## **DIVIDEND POLICY**

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board of Directors and approved by our shareholders in the Annual General Meeting, at their discretion, subject to the provisions of the Articles of Association, the Companies Act 2013 and SEBI Listing Regulations, including the rules made thereunder and other relevant regulations, if any, each as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act including the Rules made thereunder and other relevant regulations, if any. Our Company has no formal dividend policy as on the date of this Draft Red Herring Prospectus.

Declaration of dividend, if any, will depend on a number of internal and external factors, including but not limited to annual operating plans, capital budgets, quarterly and annual results, investments including mergers and acquisitions, legislations impacting business, competition, strategic updates, financial decisions, funding arrangements, macro-economic environment, changes in accounting policies and applicable accounting standards, client related risks, statutory restriction, capital markets, inflation rate, tax implications, considering dividend pay-out ratios of Companies in the same industry and other factors considered by our Board of Directors. Our Company may not distribute dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company has not declared and paid dividends on the Equity Shares in the three Fiscals preceding the date of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## Independent Auditor's Examination Report on the Restated Financial information of Avana Electrosystems Limited

Examiner Report of Independent Auditor on the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Profit and Loss and the Restated Statement of Cash Flows for the years ended March 31 2025, March 31 2024 and March 31 2023 along with the Restated Statement of Significant Accounting Policies and other explanatory information of **Avana Electrosystems Limited** (formerly known as Avana Electrosystems private limited) and in the periods applicable (hereinafter collectively, the "Restated Financial Statements").

The Board of Directors  
Avana Electrosystems Limited  
Plot No.35, 1St Main Road, 2Nd Phase  
Peenya Industrial Area, Nelagadaranahalli Village  
Bangalore – 560058

Dear Sirs/ Madams,

1. We Vasanth & Co., Chartered Accountants, have examined the attached Restated Financial Statements of AVANA ELECTROSYSTEMS LIMITED (the "Company") as approved by the Board of Directors of the Company at their meeting held on September 19, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus ("DRHP/RHP/Prospectus") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a) The Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

### Management's Responsibility for the Restated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of Restated Financial Statements for the purpose of inclusion in the offer documents in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company in accordance with the basis of preparation stated in Annexure IV to the Restated Financial Statements. The responsibility of Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

### Auditor's Responsibilities

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

- a) The terms of reference and terms of our engagement agreed upon with Company in accordance with our engagement letter dated May 01, 2025, in connection with the proposed IPO of the equity shares of the Company.
- b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- c) The concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) Requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the Management from:

Audited Financial Statements of the Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with Accounting Standard as prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended," – after Accounting Standard and other accounting principles generally accepted in India, (the " Audited Financial Statements"), which have been approved by the Board of Directors at their meetings held on September 03, 2025, August 19, 2024 and September 02, 2023 respectively.

5. Based on the above and according to the information and explanations given to us, we report that:

- i) The Restated Financial Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications.
- ii) There are no qualifications in the auditor's reports on the Audited Financial Statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 which require any adjustments to the Restated Financial Statements and

6. The Restated Financial Statements have been prepared in accordance with the Act including the rules made there under, the SEBI ICDR Regulations, the Guidance Note and engagement letter.

7. We complied with the relevant applicable requirements of the Standard in Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Financial Statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-auditing of any of the previous auditors' reports issued by us or the previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
11. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP/RHP/Prospectus to be filed with the Securities and Exchange Board of India, SME platform of BSE Limited and Registrar of Companies, Delhi, as applicable in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

for Vasanth & Co.,  
Chartered Accountants  
Firm Registration No:008204S

Sd/-  
N.Amarnath  
Partner  
Membership No:510064  
UDIN: 25510064BMIBIF4188

Place: Bangalore  
Date: 19-09-2025

**ANNEXURE-I**  
**AVANA ELECTROSYSTEMS LIMITED**  
**(Formerly known as Avana Electrosystems Private Limited)**  
**CIN- U31400KA2010PLC054508**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

Particulars	Note	31st March, 2025	As at 31st March, 2024	31st March, 2023
<b>I. EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
(a) Share capital	1	79.41	79.41	79.41
(b) Reserves and surplus	1A	2,100.59	1,269.37	866.96
<b>Non-Current Liabilities</b>				
(a) Long-term borrowings	2	126.16	291.55	237.09
<b>Current Liabilities</b>				
(a) Short term borrowing	2	442.35	635.75	496.10
(b) Trade payables	3			
(A) total outstanding dues of micro enterprises and small enterprises		266.62	353.37	125.20
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		660.55	322.92	450.45
(c) Other current liabilities	4	463.50	317.71	334.13
(d) Short-term provisions	5	802.93	537.35	262.70
<b>Total</b>		<b>4,942.12</b>	<b>3,807.43</b>	<b>2,852.04</b>
<b>II ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment & Intangible assets	6			
(A) Property, Plant and Equipment		317.26	369.66	198.00
(B) Intangible assets		9.42	9.19	2.82
(b) Deferred tax asset (net)	7	7.39	5.15	24.82
(c) Other non current assets	8	32.80	64.80	29.80
<b>Current assets</b>				
(a) Inventories	9	1,470.95	1,193.31	770.29
(b) Trade receivables	10	2,119.08	1,483.64	1,115.56
(c) Cash and cash equivalents	11	530.71	378.33	310.14
(d) Short-term loans and advances	12	358.15	246.17	360.08
(e) Other current assets	13	96.35	57.17	40.53
<b>Total</b>		<b>4,942.12</b>	<b>3,807.43</b>	<b>2,852.04</b>

The above statement should be read with the restated statement of Profit and Loss, restated statement Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-II, III and IV respectively

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

In terms of our report attached  
for Vasanth & Co.,  
Chartered Accountants  
Firm Registration No:0082045

For and on behalf of the Board of Directors  
of Avana Electrosystems Limited  
(Formerly known as Avana Electrosystems Private Limited)

Sd/-  
N.Amarnath  
Partner  
Membership No:510064

Sd/-  
A. Panish  
Managing Director  
DIN: 00288112

Sd/-  
K.N.Sreenath  
Executive Director  
DIN: 03099421

Sd/-  
Vinod Kumar .S  
Whole Time Director  
DIN: 03115822

Place: Bengaluru  
Date: 19-09-2025

Sd/-  
Gururaj Dambal  
Whole Time Director  
DIN: 03099402  
212

Sd/-  
Amrutha  
Company Secretary  
ACS no. 65237

Sd/-  
Ravi Kumar S  
Chief Financial Officer  
M.No: 239041

**ANNEXURE-II**  
**AVANA ELECTROSYSTEMS LIMITED**  
(Formerly known as Avana Electrosystems Private Limited)  
CIN- U31400KA2010PLC054508

**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	Note	For the fiscal year ended on		
		31st March, 2025	31st March, 2024	31st March, 2023
I. Revenue from operations	14	6,148.58	5,298.77	2,840.65
II. Other Income	15	144.81	26.80	17.86
<b>III. Total Income (I +II)</b>		<b>6,293.39</b>	<b>5,325.57</b>	<b>2,858.51</b>
<u>IV. Expenses:</u>				
Cost of materials consumed	16	3,311.35	3,262.81	1,842.12
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	17	(102.06)	(19.03)	(217.61)
Employee benefits expense	18	886.46	588.70	477.37
Finance costs	19	91.25	111.19	80.29
Depreciation and Amortisation Expense	6 & 21	75.63	35.00	12.16
Other Expenses	20	800.87	724.33	546.72
<b>IV. Total Expenses</b>		<b>5,063.50</b>	<b>4,702.99</b>	<b>2,741.05</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
VI. Exceptional Items		-	-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
VIII. Extraordinary Items		-	-	-
<b>IX. Profit before Tax (VII-VIII)</b>		<b>1,229.88</b>	<b>622.58</b>	<b>117.46</b>
<b>X. Tax expense:</b>				
(1) Current tax		325.70	163.95	31.10
(2) Current tax expense relating to prior years		(0.82)	-	-
(3) Deferred tax		(2.24)	19.67	(6.19)
<b>Total tax expenses</b>		<b>322.64</b>	<b>183.62</b>	<b>24.91</b>
XI. Prior period expenses:				
Gratuity and Leave encashment adjustment		76.02	36.55	0.26
<b>XII. Profit for the year (V - XI)</b>		<b>831.23</b>	<b>402.41</b>	<b>92.29</b>
XIII. Profit/ (Loss) Carried forward to Balance Sheet		831.23	402.41	92.29
Earnings Per Equity Share (EPS)				
(1) Basic - Rs.	22	4.76	2.30	0.53
(2) Diluted- Rs.	22	4.76	2.30	0.53

**Notes:**

1) The above statement should be read with the restated statement of Assets and Liabilities, restated statement of Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, III and IV respectively.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

In terms of our report attached  
for Vasanth & Co.,  
Chartered Accountants  
Firm Reg No: 0082045

For and on behalf of the Board of Directors  
of Avana Electrosystems Limited  
(Formerly known as Avana Electrosystems Private Limited)

Sd/-  
N.Amarnath  
Partner  
Membership No:510064

Sd/-  
A. Panish  
Managing Director  
DIN: 00288112

Sd/-  
K.N.Sreenath  
Executive Director  
DIN: 03099421

Sd/-  
Vinod Kumar .S  
Whole Time Director  
DIN: 03115822

Place: Bengaluru  
Date: 19-09-2025

Sd/-  
Gururaj Dambal  
Whole Time Director  
DIN: 03099402

Sd/-  
Amrutha  
Company Secretary  
ACS no. 65237

Sd/-  
Ravi Kumar S  
Chief Financial Officer  
M.No: 239041

**ANNEXURE-III**  
**AVANA ELECTROSYSTEMS LIMITED**  
(Formerly known as Avana Electrosystems Private Limited)  
CIN- U31400KA2010PLC054508  
**RESTATED STATEMENT OF CASH FLOW**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	For the fiscal year ended on		
	31st March, 2025	31st March, 2024	31st March, 2023
<b>A. Cash flow from operating activities</b>			
Profit before tax, as Restated	1,229.88	622.58	117.46
Adjustment for:			
Depreciation/Amortisation Expenses	75.63	35.00	12.16
Prior period Items	(76.02)	(36.55)	(0.26)
Finance Cost	91.25	111.19	80.29
Interest & Dividend Income	(29.21)	(24.62)	(16.73)
<b>Operating (loss) / profit before working capital changes</b>	<b>1,291.54</b>	<b>707.60</b>	<b>192.92</b>
<b><u>Movement in working capital</u></b>			
Decrease / (Increase) in Inventories	(277.64)	(423.02)	(229.27)
Decrease / (Increase) in Trade Receivable	(635.44)	(368.09)	(420.49)
Decrease / (Increase) in Other Current Assets	(39.18)	(16.64)	13.42
Increase / (Decrease) in Trade Payable	250.88	100.64	279.98
Increase / (Decrease) in Short Term Provision	265.58	274.66	82.85
Increase / (Decrease) in Current liabilities	145.79	(16.42)	79.95
<b>Cash generated from operations</b>	<b>1,001.53</b>	<b>258.73</b>	<b>(0.65)</b>
Provision for Taxation	(324.88)	(163.95)	(31.10)
<b>Net cashflow generated from/(utilised in) operating activities (A)</b>	<b>676.66</b>	<b>94.77</b>	<b>(31.75)</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant, and equipment (including intangibles assets)	(23.47)	(213.02)	(13.76)
Interest Income	29.21	24.62	16.73
Decrease / (Increase) in Short Term Loan and Advances	(111.98)	113.91	(122.29)
Decrease / (Increase) in Other Non Current Assets	32.00	(35.00)	-
<b>Net cash flow utilized in investing activities (B)</b>	<b>(74.24)</b>	<b>(109.50)</b>	<b>(119.32)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from Long Term Borrowings	(165.39)	54.46	232.08
(Increase)/decrease from Short Term Borrowings	(193.39)	139.65	79.66
Interest Paid	(91.25)	(111.19)	(80.29)
<b>Net cashflow generated from/(utilised in) financing activities('C)</b>	<b>(450.04)</b>	<b>82.92</b>	<b>231.46</b>
Net increase / (Decrease) in cash & cash equivalents (A + B + C)	152.38	68.19	80.39
Cash and cash equivalents at the beginning of the year	378.33	310.14	229.75
<b>Cash and Cash Equivalents at the end of the year</b>	<b>530.71</b>	<b>378.33</b>	<b>310.14</b>
<b>Components of Cash and Cash Equivalents as at</b>	<b>31st March, 2025</b>	<b>31st March, 2024</b>	<b>31st March, 2023</b>
Cash on hand	0.04	1.04	1.13
Balances with scheduled banks			
- In current accounts	25.11	-	-
- Balances with Banks- held as margin money	505.55	377.29	309.00
<b>Total cash and cash equivalents</b>	<b>530.71</b>	<b>378.33</b>	<b>310.14</b>

**Note:**

1. The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3 Statement of Cash Flows notified under Section 133 of the Companies Act, 2013

2. The above statement should be read with the restated statement of Profit and Loss, restated statement of Assets & Liabilities and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, II and IV respectively.

3. This is the Restated Statement of Cash Flows referred to in our report of even date.

In terms of our report attached

for Vasanth & Co.,

Chartered Accountants

Firm Reg No: 008204S

For and on behalf of the Board of Directors

of Avana Electrosystems Limited

(Formerly known as Avana Electrosystems Private Limited)

Sd/-  
N.Amarnath  
Partner  
Membership No:510064

Sd/-  
A. Panish  
Managing Director  
DIN: 00288112

Sd/-  
K.N.Sreenath  
Executive Director  
DIN: 03099421

Sd/-  
Vinod Kumar .S  
Whole Time Director  
DIN: 03115822

Place: Bengaluru  
Date: 19-09-2025

Sd/-  
Gururaj Dambal  
Whole Time Director  
DIN: 03099402

Sd/-  
Amrutha  
Company Secretary  
ACS no. 65237

Sd/-  
Ravi Kumar S  
Chief Financial Officer  
M.No: 239041



**AVANA ELECTROSYSTEMS LIMITED**  
(Formerly known as Avana Electrosystems Private Limited)  
CIN- U31400KA2010PLC054508

**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

**Note 1: RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

Particulars	As at 31 March, 2025		As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
(a) Authorised - Equity shares of Rs.10/- each with Voting rights	25,000,000	2,500.00	900,000	90.00	900,000	90.00
(b) Issued Subscribed and fully Paid up Equity Shares of Rs.10/- each with voting rights	794,064	79.41	794,064	79.41	794,064	79.41
<b>Total</b>	<b>794,064</b>	<b>79.41</b>	<b>794,064</b>	<b>79.41</b>	<b>794,064</b>	<b>79.41</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Equity shares with voting rights					
	Year ended 31 March, 2025		Year ended 31 March, 2024		Year ended 31 March, 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening Balance	794,064	79.41	794,064	79.41	794,064	79.41
Fresh issue of shares	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-
Buy back/ Conversion/ Redemption	-	-	-	-	-	-
Closing Balance	794,064	79.41	794,064	79.41	794,064	79.41

**(ii) Rights Preferences and restrictions on various classes of shares:**

(a) The Company has equity shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential allotment, if any. The distribution will be in proportion to the number of equity shares.

(b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

(c) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

**(iii) Subsequent Event – Bonus Issue of Equity Shares (21:1):**

On 19 August 2025, the Board of Directors approved and allotted a bonus issue of equity shares in the ratio of 21:1 (i.e., 21 new shares for every 1 existing share). Any fractional entitlements (if any) will be settled in accordance with the Company's Articles of Association and prevailing stock exchange practices.

**(iv) Increase in Authorised Share Capital Pursuant to the Shareholders' Approval during the period under Review:**

Pursuant to approval given by shareholder in the Extraordinary General Meeting held on 11th November 2024, the Authorised Share Capital of the Company was Increased from ₹ 90,00,000/- comprising of 9,00,000 Equity shares of ₹ 10/- each to ₹ 25,00,00,000/- comprising of 2,50,00,000 Equity shares of ₹10/- each

**(v) Change in share capital for the period of five years immediately preceding the date as at which the Balance Sheet is prepared is given below as per the requirement of Schedule-III:**

Particular	As at 31st March				
	2025	2024	2023	2022	2021
A) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash during the year	-	-	-	-	-
(B) Aggregate number and class of shares bought back during the year	-	-	-	-	-

**(vi) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**

Particulars	Equity shares with voting rights	Equity shares with differential voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
	Number of shares				
As at 31st March, 2023	Nil	Nil	Nil	Nil	Nil
As at 31st March, 2024	Nil	Nil	Nil	Nil	Nil
As at 31st March, 2025	Nil	Nil	Nil	Nil	Nil

**(vii) Details of shares held by each shareholder holding more than 5% shares:**

**a. Equity shares with voting rights**

Class of shares / Name of shareholder	As at 31st March, 2025		As at 31st March, 2024		As at 31st March, 2023	
	Number of shares held	% Holding	Number of shares held	% Holding	Number of shares held	% Holding
Kondahalli Nagaraj Sreenath	201,890	25.42%	201,891	25.43%	196,891	24.80%
Panish Anantharamaiah	201,890	25.42%	201,891	25.43%	196,891	24.80%
Gururaj Dambal	201,890	25.42%	201,891	25.43%	196,891	24.80%
Vinod kumar Sampathkumar	188,390	23.72%	188,391	23.72%	183,391	23.10%

**(viii) Details of shares held by promoters**

Class of shares / Name of shareholder	Number of shares held			As at 31 March, 2025		As at 31 March, 2024		As at 31 March, 2023	
	As at 31 March, 2025	As at 31 March, 2024	As at 31 March, 2023	% Holding	% change during the year	% Holding	% change during the year	% Holding	% change during the year
<b>Equity shares with voting rights:</b>									
Kondahalli Nagaraj Sreenath	201,890	201,891	196,891	25.42%	0.00%	25.43%	0.63%	24.80%	0.00%
Panish Anantharamaiah	201,890	201,891	196,891	25.42%	0.00%	25.43%	0.63%	24.80%	0.00%
Gururaj Dambal	201,890	201,891	196,891	25.42%	0.00%	25.43%	0.63%	24.80%	0.00%
Vinod kumar Sampathkumar	188,390	188,391	183,391	23.72%	0.00%	23.72%	0.63%	23.10%	0.00%

**AVANA ELECTROSYSTEMS LIMITED**  
(Formerly known as Avana Electrosystems Private Limited)  
CIN- U31400KA2010PLC054508

**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	As At 31st March, 2025	As At 31st March, 2024	As At 31st March, 2023
<b>Note : 1A RESERVE AND SURPLUS</b>			
<b>(A) Capital Redemption Reserve</b>			
Balance brought forward from Previous Year	8.59	8.59	8.59
Addition during the year	-	-	-
Less: Utilisation during the year	-	-	-
<b>Closing Balance</b>	<b>8.59</b>	<b>8.59</b>	<b>8.59</b>
<b>(B) General Reserve</b>			
Balance brought forward from Previous Year	11.14	11.14	11.14
Less: Transfer to Capital Redemption Reserve Account	-	-	-
<b>Closing Balance</b>	<b>11.14</b>	<b>11.14</b>	<b>11.14</b>
<b>(C) Surplus from Statement of Profit and Loss</b>			
Balance brought forward from Previous Year	1,249.64	847.23	754.94
Add : Profit for the year carried from Profit and loss	831.23	402.41	92.29
<b>Closing Balance</b>	<b>2,080.86</b>	<b>1,249.64</b>	<b>847.23</b>
<b>Closing balance of Reserves and Surplus(A+B+C)</b>	<b>2,100.59</b>	<b>1,269.37</b>	<b>866.96</b>

**Capital Redemption Reserve :** The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

\* The Board approved buyback of up to 85,936 equity shares (9.77% of paid-up share capital) at a net price of ₹93.75 per share (gross price ₹115.59 including tax), aggregating up to ₹80.57 lakhs. The buyback was on a proportionate basis to shareholders as on the record date – 25th September 2020.

**Note : 2 RESTATED STATEMENT OF LONG TERM AND SHORT-TERM BORROWINGS**

**Long term Borrowings**

**(a) Term Loans /Demand Loans (Secured)\***

From Bank & Financial Institutions

60.41 92.29 -

**(b) Term Loans /Demand Loans (Unsecured)**

From NBFC & Others

65.75 199.26 237.09

**Total Long -Term Borrowings (a+b)**

**126.16 291.55 237.09**

**Short Term Borrowings**

**(a) Term loans/Demand Loans (Secured) #**

From Bank & Financial Institutions

Cash Credit Facility from State Bank of India

- 0.01 -

Cash Credit Facility from HDFC bank

279.36 433.26 240.09

Cash Credit Facility from National Small Industries Corporation Ltd

- - 20.85

**(b) Term Loans /Demand Loans (Unsecured)**

From NBFC & others

124.50

**Sub-total (a+b)**

**279.36 433.27 385.45**

Add : Current Maturities of the Long term debt

162.99 202.47 110.65

**Sub-total (c)**

**162.99 202.47 110.65**

**Total Short-Term Borrowings (a+b+c)**

**442.35 635.75 496.10**

(Refer Sub-annexure A and B of Annexure A for terms of security, repayment and other relevant details)

(\*) Secured on Collateral security of Site No 1a Plot No.35 Khata No 35 Ward No 39 2nd Phase Peenya Industrial Area with Personal guarantees of all Directors

(\*) Loan on vehicle availed during the year

(\*) Company is paying installment to banks, NBFC and others on timely basis and there has been no delays in payment

(#) Secured on Hypothecation of Trade Receivable & Inventories and Collateral Security of Immovable Property of the Company.

**AVANA ELECTROSYSTEMS LIMITED**  
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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	As At 31st March, 2025	As At 31st March, 2024	As At 31st March, 2023
<b>Note : 3 RESTATED STATEMENT OF TRADE PAYABLES</b>			
Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	266.62	353.37	125.20
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	660.55	322.92	450.45
	<b>927.17</b>	<b>676.29</b>	<b>575.65</b>

(Refer Annexure for ageing of Trade Payables)

**NOTE:**

- 1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.
- 2) Amount due to entities covered under Micro and Small Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.
- 3) Ageing of the Supplier, along with any amount involved in disputes as required by Schedule III of Companies Act, 2013 is disclosed below after it becomes due for payment. In case of no credit terms defined the break-up of age wise supplier balance is given below after considering from the date of transactions.
- 4) The Company does not have any unbilled or not due Creditors

**Annexure for Ageing of Trade Payables**

**Trade payables ageing schedule for the year ended as on March 31, 2025:**

Particulars	Unbilled Dues	Not Due	Less than One Year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	266.62	-	-	-	266.62
Others	-	-	660.55	-	-	-	660.55
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-

**Trade payables ageing schedule for the year ended as on March 31, 2024:**

Particulars	Unbilled Dues	Not Due	Less than One Year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	353.37	-	-	-	353.37
Others	-	-	322.92	-	-	-	322.92
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-

**Trade payables ageing schedule for the year ended as on March 31, 2023:**

Particulars	Unbilled Dues	Not Due	Less than One Year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	125.20	-	-	125.20
Others	-	-	450.45	-	-	-	450.45
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-

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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	As At 31st March, 2025	As At 31st March, 2024	As At 31st March, 2023
<b>Note : 4 RESTATED STATEMENT OF OTHER CURRENT LIABILITIES</b>			
(a) Advances Received from Customers	109.17	217.05	247.61
(b) Statutory Dues Payable	267.76	25.68	25.00
(c) Outstanding Liabilities	76.63	69.98	56.52
(d) Other Current Liabilities	9.95	5.00	5.00
	<b>463.50</b>	<b>317.71</b>	<b>334.13</b>

**NOTE:**

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 5 RESTATED STATEMENT OF SHORT-TERM PROVISIONS**

(a) Provision for Employee Benefits			
Provision for Gratuity	29.95	16.24	10.09
Provision for Leave Encashment	31.47	21.62	18.69
(b) Provision - Others			
Provision for Income Tax(Net of TDS)	191.15	102.84	3.08
Provision for Warranty	431.99	309.02	175.21
Provision for Installation & Commissioning	118.37	87.63	55.63
	<b>802.93</b>	<b>537.35</b>	<b>262.70</b>

**NOTE:**

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 7 RESTATED STATEMENT OF DEFERRED TAX ASSETS/(LIABILITIES)**

Deferred Tax Asset-Net ( Annexure A)	7.39	5.15	24.82
	<b>7.39</b>	<b>5.15</b>	<b>24.82</b>

**ANNEXURE A**

Particulars	As at 31st March 2024	As at 31st March 2023
Timing Difference on account of:		
Difference between book value of Depreciable Assets as per Books of Account and WDV as per Income Tax Purposes	(33.19)	(31.34)
Impact of Gratuity Provisions, leave encashment and Bonus	12.72	(67.27)
<b>Total Timing Difference</b>	<b>(20.47)</b>	<b>(98.61)</b>
<b>Rate of Tax (%)</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Deferred Tax Asset</b>		
Fixed Asset : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	(8.35)	(7.89)
Expenses Allowable in Future - Section 43B	3.20	(16.93)
<b>Net Deferred Tax (Asset)/liability</b>	<b>(5.15)</b>	<b>(24.82)</b>

**Note : 8 RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

Rental Deposit	32.80	64.80	29.80
	<b>32.80</b>	<b>64.80</b>	<b>29.80</b>

**NOTE:**

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	As At 31st March, 2025	As At 31st March, 2024	As At 31st March, 2023
<b>Note : 9 RESTATED STATEMENT OF INVENTORIES</b>			
<b>Raw Material</b>			
Opening Balance	880.09	476.10	464.44
Purchased during the year	3,486.93	3,666.80	1,853.78
Consumed During the year	(3,311.35)	(3,262.81)	(1,842.12)
Closing Balance	1,055.67	880.09	476.10
<b>Work-in-progress</b>			
Opening Balance	29.53	256.61	76.58
Changes during the year	55.13	(227.07)	180.03
Closing Balance	84.66	29.53	256.61
<b>Finished Goods</b>			
Opening Balance	283.68	37.58	-
Changes during the year	46.93	246.10	37.58
Closing Balance	330.62	283.68	37.58
<b>Total Inventory</b>	<b>1,470.95</b>	<b>1,193.31</b>	<b>770.29</b>

**NOTE:**

1) The above statement should be read with the restated statement of Assets and Liabilities, restated statement of Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, III and IV respectively.

**Note : 10 RESTATED STATEMENT OF TRADE RECEIVABLES**

Trade Receivables			
Outstanding for a period exceeding six months			
<i>Considered Good</i>	242.54	295.68	331.90
<i>Considered Doubtful</i>			
Outstanding for a period not exceeding six months			
<i>Considered Good</i>	1,876.55	1,187.97	783.66
	<b>2,119.08</b>	<b>1,483.64</b>	<b>1,115.56</b>

(Refer Annexure A for Ageing Schedule)

**NOTE:**

1) The above statement should be read with the restated statement of Assets and Liabilities, restated statement of Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, III and IV respectively.

2) Ageing of the Trade receivable, along with any amount involved in disputes, if any as required by Schedule III of Companies Act, 2013 is disclosed as below. Ageing of debtors is based on the date of transaction in case there is no credit period agreed at the time of Supply.

3) The Company does not have any unbilled or not due Debtors

**ANNEXURE A**

Particulars	Outstanding for following periods from due date of payment as at 31 Mar 2025					
	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,876.55	242.54	-	-	-	2,119.08
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment as at 31 Mar 2024					
	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,187.97	295.68	-	-	-	1,483.64
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment as at 31 Mar 2023					
	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	783.66	273.39	58.51	-	-	1,115.56
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	As At 31st March, 2025	As At 31st March, 2024	As At 31st March, 2023
<b>Note : 11 RESTATED STATEMENT OF CASH &amp; BANK BALANCES</b>			
<b>(A) Cash and Cash Equivalents:</b> (As per Accounting Standard 3: Cash flow Statements)			
Cash in Hand	0.04	1.04	1.13
<b>Total (A)</b>	<b>0.04</b>	<b>1.04</b>	<b>1.13</b>
<b>(B) Bank balances other than cash &amp; cash equivalents</b> (As per Accounting Standard 3: Cash flow Statements)			
i) Current Accounts	25.11	-	-
ii) Margin money against borrowings, guarantee/other Commitments *	505.55	377.29	309.00
<b>Total (B)</b>	<b>530.67</b>	<b>377.29</b>	<b>309.00</b>
<b>Total (A+B)</b>	<b>530.71</b>	<b>378.33</b>	<b>310.14</b>

**NOTE:**

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

2) \* Margin money deposits are maintained with HDFC Bank and State Bank of India against Bank Guarantees and Letters of Credit. These deposits are earmarked for the respective facilities and are not freely available for general business use.

**Note : 12 RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

<b>(a) Deposits</b>			
Earnest Money Deposit	67.94	61.31	55.67
Other Deposit	0.09	0.09	0.09
<b>(b) Secured Advances</b> (Secured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)			
Advance to KIADB towards procurement of Land	165.23	165.23	165.23
<b>(b) Unsecured Advances</b> (Unsecured & Considered Good - Advance recoverable in Cash or in kind or for value to be received)			
Advance to Suppliers & Others	18.93	0.13	133.28
Balance With Revenue Authority (GST Input)	103.44	18.42	4.66
Employee Advance	2.53	1.00	1.15
	<b>358.15</b>	<b>246.17</b>	<b>360.08</b>

**NOTE:**

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 13 RESTATED STATEMENT OF OTHER CURRENT ASSETS**

Prepaid expenses	18.35	35.02	26.71
Accrued Interest	47.70	22.15	13.82
Deferred IPO Expenses	30.30	-	-
	<b>96.35</b>	<b>57.17</b>	<b>40.53</b>

**NOTE:**

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	For the Year Ended		
	31st March, 2025	31st March, 2024	31st March, 2023
<b>Note : 14 RESTATED STATEMENT OF REVENUE FROM OPERATIONS</b>			
Sales of Products:			
Domestic Sales	6,119.02	5,279.06	2,828.66
Export Sales	-	-	-
Sales of Services:			
Service Charges	29.55	19.71	11.98
	<b>6,148.58</b>	<b>5,298.77</b>	<b>2,840.65</b>

**NOTE:**

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 15 RESTATED STATEMENT OF OTHER INCOME**

Interest on Term Deposits against BG and LC	29.21	24.62	16.73
Other Income (Non- Recurring)	115.60	2.18	1.14
	<b>144.81</b>	<b>26.80</b>	<b>17.86</b>

**NOTE:**

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 16 RESTATED SATATMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE**

**A) Cost of Material Consumed**

Opening Stock of Raw Material	880.09	476.10	464.44
Purchases of Raw Materials and Consumables	3,486.93	3,666.80	1,853.78
	4,367.02	4,142.90	2,318.22
Less: Closing Stock of Raw Material	1,055.67	880.09	476.10
<b>Total Cost of Material Consumed</b>	<b>3,311.35</b>	<b>3,262.81</b>	<b>1,842.12</b>

**NOTE:**

The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 17 RESTATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS & WIP**

**Changes In Inventories of Work in Progress**

**Closing Inventories**

-Finished Goods	330.62	283.68	37.58
-WIP	84.66	29.53	256.61

**Less: Opening Inventories**

-Finished Goods	283.68	37.58	-
-WIP	29.53	256.61	76.58

<b>(Increase)/ Decrease in Inventory</b>	<b>(102.06)</b>	<b>(19.03)</b>	<b>(217.61)</b>
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**NOTE:**

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**AVANA ELECTROSYSTEMS LIMITED**  
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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	For the Year Ended		
	31st March, 2025	31st March, 2024	31st March, 2023
<b>Note : 18 RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES</b>			
Salaries & Wages	851.06	566.86	463.97
Leave encashment	9.85	2.93	18.69
Staff Welfare Expenses	36.78	38.14	12.34
Contributions to Gratuity fund	(11.28)	(19.28)	(17.66)
Labour welfare fund	0.05	0.05	0.04
	<b>886.46</b>	<b>588.70</b>	<b>477.37</b>

**NOTE:**

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 19 RESTATED STATEMENT OF FINANCE COST**

**(A) Interest Expense**

Interest on OD	5.17	10.66	0.39
Interest on Term Loan	59.38	69.02	48.53
<b>Total Interest Expenses</b>	<b>64.56</b>	<b>79.68</b>	<b>48.92</b>

**(B) Other Charges**

L C Interest & Discounting Charges	17.37	19.67	10.13
Bank Charges	9.33	11.84	21.24
<b>Total Other Expenses</b>	<b>26.70</b>	<b>31.51</b>	<b>31.37</b>
<b>Total (A+B)</b>	<b>91.25</b>	<b>111.19</b>	<b>80.29</b>

**NOTE:**

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

**Note : 20 RESTATED STATEMENT OF OTHER EXPENSES**

**A) Selling & Distribution Expenses**

Marketing Consultancy & Exhibition Charges	96.95	71.31	50.83
Clearing, Forwarding & Freight	44.42	50.28	30.01
Sales Promotion Expenses	34.61	19.82	6.23

**B) Operating, Administrative & Other Expenses**

Labour Charges	121.79	134.89	62.49
Legal & Professional Charges	40.20	26.69	19.44
Installation & Commissioning charges	30.74	32.00	32.50
Warranty Expenses	122.97	133.82	93.50
Travelling Expenses	73.32	34.81	6.47
Security Service Charges	23.66	22.28	21.32
Power and Electricity	4.86	4.75	3.85
Insurance Expenses	37.60	21.28	24.05
Rental Expenses	59.34	53.30	49.58
Liquidated Damage Charges	8.09	37.14	11.78
Rates and Taxes	8.90	3.08	5.57
Conveyance Expenses	13.04	14.07	10.43
Repairs & Maintenance	6.44	12.22	6.05
Office Maintenance	12.45	15.09	9.53
Communication Expenses	7.13	6.20	4.61
Printing and Stationary	2.91	3.56	2.85
CSR Contribution	4.95	-	-
Bad debts written off	3.58	9.75	81.68
<b>Payment to auditor's as</b>			
Statutory Audit fee	7.00	7.00	3.50
Other Matters	3.00	3.00	1.50
Other Expenses	32.93	8.01	8.96
	<b>800.87</b>	<b>724.33</b>	<b>546.72</b>

**Note:**

1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.



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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

Particulars	For the Year Ended		
	31st March, 2025	31st March, 2024	31st March, 2023
<b>Note : 21 RESTATED STATEMENT OF DEPRECIATION &amp; AMORTISATION</b>			
Depreciation and Amortization Expenses	75.63	35.00	12.16
	<b>75.63</b>	<b>35.00</b>	<b>12.16</b>
<b>Note:</b>			
1)The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.			
<b>Note : 22 RESTATED EARNINGS PER SHARE</b>			
(i) Profit for basic/diluted earning per share of face value of INR 10 each			
Profit/ Loss for the period/year	831.23	402.41	92.29
(ii) Calculation of Weighted average number of equity shares for (basic and diluted)			
Number of equity shares at the beginning and end of the period/year	794,064.00	794,064.00	794,064.00
Add: Issue of Equity Shares	-	-	-
<b>Weighted Average Number of equity shares at the end of the year</b>	<b>794,064.00</b>	<b>794,064.00</b>	<b>794,064.00</b>
<b>Proposed bonus issue (21:1) after 31st March 2025</b>	<b>17,469,408.00</b>	<b>17,469,408.00</b>	<b>17,469,408.00</b>
<b>Earnings per share [nominal value of INR 10 per share]</b>			
- Basic	4.76	2.30	0.53
- Diluted*	4.76	2.30	0.53

**NOTE:**

- Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company issued bonus shares in the ratio of 21 (twenty-one) bonus equity share for every 1 (One) existing equity shares. The bonus was approved by the shareholders on 04th August, 2025 after the reporting date (31 March 2025) and before the financial statements were authorised for issue. Accordingly, in accordance with AS 20, the basic and diluted earnings per share for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 have been restated retrospectively as if the said bonus issue had been in effect throughout the earliest period presented.
- \* Diluted EPS equals basic EPS as there were no dilutive potential ordinary shares outstanding as at the respective reporting dates.

**ANNEXURE-A (A)**  
**RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Nature of Facility	Nature of Security	Sanctioned Amount (Rs. in Lakhs)	Rate of interest per annum (%)	Re-Payment Schedule		Outstanding amount as on (as per Books) (Rs. In Lakhs)		
					No of EMI (in Months)	EMI Amount (Rs. In Lakhs)	31-03-25	31-03-24	hom
National Small Industries Corporation Ltd	Cash Credit- Raw Material Assistance Scheme	BG Equivalent to the value of limit sanctioned from any natinized bank/Approved Bank of NSIC	25.00	9.00	NA	NA	-	-	20.85
HDFC Bank	Auto Loan	Hypothecation of the vehicle	10.05	8.75	60.00	0.21	7.93	9.64	-
HDFC Bank			26.70	8.50	60.00	0.55	21.04	25.61	-
HDFC Bank			31.80	8.50	60.00	0.65	25.06	30.51	-
HDFC Bank			31.80	8.50	60.00	0.65	25.06	30.51	-
HDFC Bank	Drul	<b>Primary -</b> Accepted Lcs From Other Banks, Book Debts, Fd, Fixed Deposit With 100%, Fixed Deposit With 60%, Industrial, Stock  <b>Collateral-</b> 1. Personal Guarantee 2. Vacant Land- In the name of Avana Electrosystems Limited -Site No 1a Flot No-35 Khata No 35 0 Ward No 39 2nd Phase Peenya Industrial Area Bangalore Karnataka 560058 (With equitable mortgage Charges)	300.00				-	-	-
	Letter of Credit		45.00				-	-	-
	Letter of Credit		135.00				-	-	-
	Cash credit		200.00				279.36	433.26	240.09
	Bank Guarantee		200.00				-	-	-
	Bank Guarantee		100.00				-	-	-
	Bank Guarantee		100.00				-	-	-
	EEG-TERM LOANS		30.00	9.41	24.00	1.38	13.19	27.71	-
	Letter of Credit		500.00						
	BANK GUARANTEE[ SubLimit]		(500.00)						
	Letter of credit- Sub limit of cash credit		(10.00)				-	-	-
	Letter of credit- Sub limit of Bank Guarantee		(400.00)				-	-	-
<b>Total</b>			-				<b>371.65</b>	<b>557.24</b>	<b>260.95</b>

**ANNEXURE-A (B)**  
**RESTATED STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

Name of Lender	Nature of Facility	Sanctioned Amount (Rs. in Lakhs)	Rate of interest per annum (%)	Re-Payment Period	EMI Amount (Rs. In Lakhs)	Outstanding amount as at (Rs. In Lakhs)		
						31-03-25	31-03-24	31-03-23
Komal A	Business Loan _ Working Capital	18.00	13.80	12months	1.50	-	-	10.50
B Capital	Business Loan _ Working Capital	24.00	12.00	12months	2.00	-	-	14.00
L M Credits	Business Loan _ Working Capital	24.00	12.00	12months	2.00	-	-	14.00
Umesh Electro Marketix	Business Loan _ Working Capital	24.00	12.00	12months	2.00	-	-	16.00
M M Ahuja	Business Loan _ Working Capital	24.00	12.00	12months	2.00	-	-	14.00
Aashish Combine	Business Loan _ Working Capital	12.00	12.00	12months	1.00	-	-	7.00
Bharat S Ahuja	Business Loan _ Working Capital	12.00	12.00	12months	1.00	-	-	7.00
Kishandas Jethanand	Business Loan _ Working Capital	24.00	12.60	12months	2.00	-	-	14.00
J R Consultancy	Business Loan _ Working Capital	18.00	12.00	12months	1.50	-	-	12.00
Prem Kumar	Business Loan _ Working Capital	24.00	12.00	12months	2.00	-	-	16.00
Clix Capital Service Private Limited	Business Loan _ Working Capital	40.19	18.00	36months	1.46	15.00	28.86	40.73
Fullerton India Credit Co. Ltd.	Business Loan _ Working Capital	40.25	17.00	25months	1.99	-	21.53	40.99
Axis Bank LTD	Business Loan _ Working Capital	50.00	16.50	36months	1.77	17.89	34.65	48.87
Deutsche Bank	Business Loan _ Working Capital	40.00	18.05	36months	1.45	15.05	28.86	40.64
Standard Chartered Bank	Business Loan _ Working Capital	100.00	16.00	36months	3.52	16.90	53.16	84.10
Kotak Mahindra Bank LTD	Business Loan _ Working Capital	40.00	16.74	36months	1.43	14.87	28.68	40.63
Unity Small Finance Bank	Business Loan _ Working Capital	51.00	18.50	36months	1.86	20.51	37.58	51.79
Fedbank Financial Services LTD	Business Loan _ Working Capital	30.25	17.25	36months	1.08	21.07	29.60	-
Tata Capital LTD	Business Loan _ Working Capital	60.00	17.25	36months	2.15	41.09	58.39	-
Yes Bank	Business Loan _ Working Capital	50.00	16.50	36months	1.77	34.49	48.73	-
<b>Total</b>		-				<b>196.86</b>	<b>370.04</b>	<b>472.24</b>

**NOTE:**

- 1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.
- 2) The Company does not have any Long Term Borrowings from promoters/group companies/ subsidiaries/ material associate companies/ related parties as per Accounting Standard-18.
- 3) The Company does not have any continuing default in repayment of loans and interest as on the reporting date.
- 4) The company is not declared as "wilful defaulter" by any bank or financial Institution or other lender as on the reporting date.

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**Annexure-V: Notes to Restated Financial Information**

**NOTE - 6 RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

(Amount in INR lakhs, except for share data unless otherwise stated)

Particulars	Property Plant and Equipment									Intangible Asset	
	Land	Lease Hold Improvements	Computer	Office Equipments	Tools	Plant and Machinery	Furniture and Fittings	Vehicle	Total Tangible Asset	Software	Total Intangible Asset
<b>Balance as on 31st March 2023</b>	173.07	1.96	29.56	23.83	56.01	45.66	40.17	-	<b>370.76</b>	19.56	<b>19.56</b>
Additions	-	9.27	11.24	64.41	3.45	11.52	0.54	101.52	<b>201.94</b>	11.08	<b>11.08</b>
Deletions	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March 2024</b>	173.07	11.23	40.80	88.24	59.46	57.18	40.71	101.52	<b>572.21</b>	30.64	<b>30.64</b>
Additions	-	0.37	9.40	7.14	0.14	1.94	0.15	1.19	<b>20.32</b>	3.14	<b>3.14</b>
Deletions	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March 2025</b>	173.07	11.60	50.20	95.38	59.60	59.12	40.85	102.70	<b>592.53</b>	33.79	<b>33.79</b>
<b>II Accumulated Depreciation:</b>											
<b>Balance as at 31st March 2022</b>	-	1.96	26.91	15.73	48.77	32.07	35.65	-	<b>161.10</b>	15.75	<b>15.75</b>
Depreciation/Amortisation charge	-	-	1.19	2.62	1.69	4.64	1.03	-	<b>11.16</b>	0.99	<b>0.99</b>
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2023</b>	-	1.96	28.10	18.35	50.46	36.71	36.68	-	<b>171.26</b>	16.74	<b>16.74</b>
Depreciation/Amortisation charge	-	0.56	4.36	12.17	2.93	0.68	0.76	8.82	<b>30.28</b>	4.71	<b>4.71</b>
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2024</b>	-	2.52	32.46	30.52	53.39	37.39	37.44	8.82	<b>202.45</b>	21.45	<b>21.45</b>
Depreciation/Amortisation charge	-	0.81	7.66	28.75	2.37	3.62	0.63	28.88	<b>72.72</b>	2.91	<b>2.91</b>
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2025</b>	-	3.34	40.12	59.27	55.76	41.01	38.07	37.70	<b>275.26</b>	24.36	<b>24.36</b>
<b>III Net Block:</b>											
<b>Balance as at 31st March 2023</b>	173.07	0.00	1.46	5.48	5.55	8.95	3.49	-	<b>198.00</b>	2.82	<b>2.82</b>
<b>Balance as at 31st March 2024</b>	173.07	8.71	8.34	57.72	6.07	19.79	3.26	92.70	<b>369.66</b>	9.19	<b>9.19</b>
<b>Balance as at 31st March 2025</b>	173.07	8.26	10.08	36.12	3.84	18.11	2.78	65.01	<b>317.26</b>	9.42	<b>9.42</b>

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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

**Note: 23**

**RESTATED STATEMENT OF RELATED PARTY TRANSACTION**

For the purpose of this financial statement, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the company and the party are subject to common control or significant influence. Related party may be an individual or other entities.

As required under Accounting Standard–18 on Related Party Disclosures, issued by the Institute of Chartered Accountants of India, the disclosure of names of related parties and their transactions are as under:

**A. List of Related Parties**

(As identified by the management)

Particulars	Names of related parties	Nature of Relationship
Directors and Key Managerial Personnel	Panish Anantha Ramaiah	Managing Director
	Kondahalli Nagaraj Sreenath	Executive Director*
	Gururaj Dambal	Whole Time Director
	Vinod Kumar S	Whole Time Director
Relatives of KMP	Smitha Dambal	Wife of Whole Time Director
	Nithya V	Wife of Whole Time Director
	G Usha	Wife of Executive Director
	Rama S	Wife of Managing Director
	Ramabai Dambal	Mother of Whole time Director
	Ravi kumar S	Chief Financial Officer*

Mr. Ravi Kumar S has been appointed as Chief Financial Officer with effect from September 1, 2025, in place of Mr. Kondahalli Nagaraj Sreenath, who resigned from the said position on August 29, 2025.

**B. Related Party Transactions during the year**

(₹ in Lakhs)				
(I)	Transactions with Directors/KMP	31-03-25	31-03-24	31-03-23
Panish Anantha Ramaiah	Director Remuneration	61.20	41.88	42.38
Kondahalli Nagaraj Sreenath	Director Remuneration	38.16	21.24	21.24
Gururaj Dambal	Director Remuneration	47.28	27.96	28.46
Vinod Kumar S	Director Remuneration	38.76	21.84	21.24
(II)	Relatives of Director			
Smitha Dambal	Professional Fees	18.00	18.60	14.50
Nithya V	Professional Fees	18.00	18.60	15.00
G Usha	Professional Fees	18.00	18.60	15.00
Rama S	Professional Fees	18.00	18.60	14.50
Ramabai Dambal	Professional Fees	6.00	0.00	0.00

**C. Balances outstanding of Related Parties**

(I) Directors and Key Managerial Personnel	Nature of Transactions	31-03-25	31-03-24	31-03-23
Panish Anantha Ramaiah	Director Remuneration	2.43	1.92	2.56
Kondahalli Nagaraj Sreenath	Director Remuneration	2.17	0.92	1.37
Gururaj Dambal	Director Remuneration	2.63	1.69	1.90
Vinod Kumar S	Director Remuneration	1.64	1.17	1.57
(II) Relatives of Directors and Key Managerial Personnel				
Smitha Dambal	Professional Fees	1.50	1.50	1.20
Nithya V	Professional Fees	1.50	1.50	1.20
G Usha	Professional Fees	1.50	1.50	1.20
Rama S	Professional Fees	1.50	1.50	1.20
Ramabai Dambal	Professional Fees	0.45	0.00	0.00

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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

**Note 24**

**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

Particulars	As at		
	31-03-25	31-03-24	31-03-23
Net Worth (A)	2,180.00	1,348.78	946.36
Restated Profit after tax	831.23	402.41	92.29
Less: Prior Period Item	0.00	0.00	0.00
Adjusted Profit after Tax (B)	831.23	402.41	92.29
Number of Equity shares (Face Value Rs 10/-) outstanding as on the end of Year (Absolute) ('C) Post Proposed Bonus Issue (21:1)	17,469,408	17,469,408	17,469,408
Weighted Average Number of Equity shares (Face Value Rs 10/-) outstanding as on the end of Year (Absolute) ('D) Post Proposed Bonus Issue (21:1)	17,469,408	17,469,408	17,469,408
Current Assets (E)	4,575.24	3,358.62	2,596.59
Current Liabilities (F)	2635.96	2167.10	1668.57
Face Value per Share	₹ 10	₹ 10	₹ 10
Basic Earnings Per Share (Rs.) (B / D)	4.76	2.30	0.53
Return on Net worth (%) (B / A)	38.13%	29.84%	9.75%
Net asset value per share (A/D) (Face Value of Rs. 10 Each)	12.48	7.72	5.42
Current Ratio (E / F)	1.74	1.55	1.56
Restated Earnings Before Interest Tax Depreciation and Amortisation and Other Income (EBITDA)	1,251.96	741.97	192.04
EBITDA Margin	20.36%	14.00%	6.76%

**Notes:**

The Ratios have been computed as below:

1. Earnings per share = Profit available to equity shareholders/ weighted avg number of outstanding equity shares during the year
2. Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year
3. Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
4. Net asset value/Book value per share (Rs.) = Net worth/No. of equity shares

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**Annexure-V: Notes to Restated Financial Information**  
**Notes-25**

**RESTATED STATEMENT OF OTHER FINANCIAL RATIOS**

(Amount in INR lakhs, except for share data unless otherwise stated)

S. No.	Particular	Numerator	Denominator	As at		
				31-03-25	31-03-24	31-03-23
1	Current Ratio (No of Times)	Current assets	Current liabilities	1.74	1.55	1.56
2	Debt Equity Ratio (No of Times)	Total debt (including current maturities of long term borrowings)	Shareholder's Equity	0.13	0.37	0.37
3	Debt Service Coverage Ratio (No of Times)	Earnings available for debt service	Debt Service	3.93	1.75	0.97
4	Return On Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	47.11%	35.07%	10.25%
5	Inventory Turnover Ratio (In Days)	Cost of goods sold	Average Inventory	2.41	3.30	2.48
6	Trade Receivable Turnover Ratio (In Days)	Revenue from Operations	Average Trade Receivables	3.41	4.08	3.14
7	Trade Payable Turnover Ratio (In Days)	Total Purchases	Average Payables	4.35	5.86	4.26
8	Net Capital Turnover Ratio (No of Times)	Revenue from Operations	Working capital = current assets – current liabilities	3.17	4.45	3.06
9	Net Profit Ratio (%)	Net Profit	Revenue from Operations	13.52%	7.59%	3.25%
10	Return On Capital Employed (%)	Earning before interest and Tax	Capital employed = Networth + Total debt - Intangible Assets	53.71%	40.02%	15.31%
11	Return On Investment (%)	Net Profit after Tax	Shareholder's Funds	38.13%	29.84%	9.75%

Sr. No.	Ratio	31-03-25	31-03-24	Variance	Note Ref NO
1	Current Ratio (No of Times)	1.74	1.55	11.99%	
2	Debt Equity Ratio (No of Times)	0.13	0.37	-63.79%	1
3	Debt Service Coverage Ratio (No of Times)	3.93	1.75	124.46%	2
4	Return On Equity Ratio (%)	47.11%	35.07%	34.35%	3
5	Inventory Turnover Ratio (In Days)	2.41	3.30	-27.08%	
6	Trade Receivable Turnover Ratio (In Days)	3.41	4.08	-16.28%	
7	Trade Payable Turnover Ratio (In Days)	4.35	5.86	-25.75%	
8	Net Capital Turnover Ratio (No of Times)	3.17	4.45	-28.70%	4
9	Net Profit Ratio (%)	13.52%	7.59%	78.01%	5
10	Return On Capital Employed (%)	53.71%	40.02%	34.22%	6
11	Return On Investment (%)	38.13%	29.84%	27.80%	7

**NOTE:**

- 1 Reduction due to repayment of borrowings and improved net worth position.
- 2 Increase driven by higher operating profits and stronger cash accruals to service debt.
- 3 Improvement due to better profitability and efficient use of equity capital.
- 4 Decline mainly due to higher working capital deployment compared to previous year.
- 5 Significant increase on account of higher revenue and cost optimization measures.
- 6 Increase owing to improved operating earnings with relatively stable capital employed.
- 7 Rise attributable to higher profitability and better yield from investments.

Sr. No.	Ratio	31-03-24	31-03-23	Variance	Note Ref NO
1	Current Ratio (No of Times)	1.55	1.56	-0.41%	
2	Debt Equity Ratio (No of Times)	0.37	0.37	-0.32%	
3	Debt Service Coverage Ratio (No of Times)	1.75	0.97	80.78%	1
4	Return On Equity Ratio (%)	35.07%	10.25%	242.06%	2
5	Inventory Turnover Ratio (In Days)	3.30	2.48	33.35%	3
6	Trade Receivable Turnover Ratio (In Days)	4.08	3.14	29.94%	4
7	Trade Payable Turnover Ratio (In Days)	5.86	4.26	37.66%	5
8	Net Capital Turnover Ratio (No of Times)	4.45	3.06	45.28%	6
9	Net Profit Ratio (%)	7.59%	3.25%	133.76%	7
10	Return On Capital Employed (%)	40.02%	15.31%	161.31%	8
11	Return On Investment (%)	29.84%	9.75%	205.95%	9

**NOTE:**

- 1 Increase due to improved profitability and better cash accruals during FY 2023-24, enabling higher coverage of debt obligations.
- 2 Significant improvement owing to higher net profit generated in FY 2023-24 compared to the previous year.
- 3 Improved efficiency in inventory management and faster movement of stock.
- 4 Better credit control and faster collections from customers during the year.
- 5 Increased payments to suppliers due to stronger cash flows.
- 6 Better utilization of working capital leading to higher sales relative to net capital employed.
- 7 Due to improved operating performance, cost optimization, and increase in revenue during the year.
- 8 Increase attributable to higher earnings before interest and taxes (EBIT) with stable capital employed.
- 9 Increase primarily on account of higher profitability and better return generated on investments made.

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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

**Additional notes to Restated Financial Information**

**Note No.26**

**Restated Statement of Adjustments in the financial statements**

**(a) Impact of restatement adjustments**

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Net profit after tax as per audited financial statements	₹ 847.08	₹ 404.02	₹ 74.82
*			
Gratuity	(37.47)	1.32	36.15
Leave encashment	21.62	(2.93)	(18.69)
(Short)/excess depreciation	0.00	0.00	0.00
Interest on FDR	0.00	0.00	0.00
<b>Restated net profit after tax</b>	<b>₹ 831.23</b>	<b>₹ 402.41</b>	<b>₹ 92.29</b>

**(a) Reconciliation of restated Equity/ Net worth**

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Equity/ Net worth as per audited financials	₹ 2,180.00	₹ 1,332.92	₹ 928.90
<b>Restatement adjustments:</b>			
Gratuity	0.00	-37.47	-36.15
Leave encashment	0.00	21.62	18.69
(Short)/excess depreciation charged during current year/period	0.00	0.00	0.00
Interest on FDR	0.00	0.00	0.00
Prior years excess Depreciation	0.00	0.00	0.00
Prior years gratuity and leave encashment	0.00	0.00	0.00
DTA/DTL	0.00	0.00	0.00
MAT credit entitlement	0.00	0.00	0.00
Short/excess provision for tax	0.00	0.00	0.00
<b>Sub Total</b>	<b>0.00</b>	<b>-15.85</b>	<b>-17.46</b>
<b>Restated Equity/ Net worth</b>	<b>₹ 2,180.00</b>	<b>₹ 1,348.78</b>	<b>₹ 946.36</b>

**(b) Explanatory notes for the restatement adjustments**

- (i) The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same related to.
- (ii) The company has provided excess provision of tax in the year in which income tax return has been filed and has been adjusted in prior period items in financials but in the restated financials it has been adjusted in the same financial year where it relates to.
- (iii) Appropriate adjustments have been made in the restated consolidated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years.

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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

**Note No. 27**

The following table sets forth our company's capitalisation as at March 31, 2025, on the basis of our Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Restated Consolidated Financial Statement" and "Risk Factors".

**RESTATED STATEMENT OF CAPITALISATION**

Particulars	Pre Offer as at March 31, 2025	As Adjusted for the Proposed Offer
<b><u>Debt</u></b>		
Short Term Debt	₹ 279.36	[●]
Long Term Debt	₹ 289.15	[●]
<b>Total Debt</b>	<b>₹ 568.51</b>	<b>[●]</b>
<b><u>Shareholders' Fund (Equity)</u></b>		
Share Capital	₹ 79.41	[●]
Reserves & Surplus	₹ 2,100.59	[●]
Less: Miscellaneous Expenses not w/off	₹ 0.00	[●]
<b>Total Shareholders' Fund (Equity)</b>	<b>₹ 2,180.00</b>	<b>[●]</b>
Long Term Debt/Equity	0.13	[●]
Total Debt/Equity	0.26	[●]

**Notes:**

- 1) Short term Debts represent the debts which are expected to be paid/payable within 12 months and includes instalment of term loans repayable within 12 months.
- 2) Long term Debts represent debts other than short term debts as defined above.
- 3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2025
- 4) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.



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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

**Note -28- Tax shelter**

Particulars		As at		
		31-03-25	31-03-24	31-03-23
A	Profit before taxes as restated	₹ 1,229.88	₹ 622.58	₹ 117.46
B	Tax Rate Applicable %	25.168	25.168	25.168
	Adjustments:			
C	Permanent Differences			
	Expenses disallowed due to non-deduction of TDS	₹ 0.00	₹ 3.14	₹ 1.84
	Expenses disallowed Under Section 37 of the IT Act 1961	₹ 0.00	₹ 0.00	₹ 4.26
	Expenses disallowed Under Section 36 of the IT Act 1961	₹ 0.00	₹ 0.16	₹ 5.34
	Total Permanent Differences	₹ 0.00	₹ 3.30	₹ 11.44
D	Timing Difference			
	Difference between tax depreciation and book depreciation	₹ 31.64	₹ 1.85	₹ 1.41
	Expenses Disallowed Under Section 40A(7) (Gratuity)	₹ 0.00	₹ 0.00	₹ 0.00
	Expenses Disallowed/allowed Under Section 43B	₹ -45.31	₹ 12.15	₹ 9.67
	Expenses Disallowed/allowed Under Section 40	₹ -3.00	₹ -1.84	₹ -1.50
	Total Timing Differences	₹ -16.67	₹ 12.16	₹ 9.58
E	Gross Taxable Income as per Income Tax Act	₹ 1,213.21	₹ 638.04	₹ 138.48
F	Less: Brought Forward Business Losses	₹ 0.00	₹ 0.00	₹ 0.00
G	Net Taxable Income as per Income Tax Act (E-F)	₹ 1,213.21	₹ 638.04	₹ 138.48
H	Tax Expenses/ (Saving) thereon (G*B)	₹ 305.34	₹ 160.58	₹ 34.85
I	Long Term Capital Gain tax @10%+ Surcharge	₹ 0.00	₹ 0.00	₹ 0.00
J	Tax Liability, After Considering the effect of Adjustment (H+I)	₹ 305.34	₹ 160.58	₹ 34.85
K	Book Profit as per MAT *(NA if Opted for 115BAA)	NA	NA	NA
L	MAT Rate (%)	17.160%	17.160%	17.160%
M	Tax liability as per MAT (K*L)	NA	NA	NA
N	Current Tax being Higher of J or M	305.34	160.58	34.85
O	Interest U/s 234A, B and C of Income Tax Act	17.88	11.35	0.71
P	Total Tax expenses	323.22	171.93	35.56
Q	Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	323.22	171.93	35.56

**AVANA ELECTROSYSTEMS LIMITED**  
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**CIN- U31400KA2010PLC054508**  
**RESTATED STATEMENT OF CONTINGENT LIABILITIES**  
*(Amount in INR lakhs, except for share data unless otherwise stated)*

**Note -29 Contingent Liabilities**

Particular	As at		
	31-03-25	31-03-24	31-03-23
<b>Contingent liabilities in respect of:</b>			
Claims against the company not acknowledged as debts	0.00	0.00	0.00
Bank Guarantees given by the Company	485.33	242.98	482.82
Letter of Credit given by the Company	509.51	178.67	126.11
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	0.00	0.00	0.00
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.00	0.00	0.00
Income Tax Outstanding Demand	5.71	5.71	5.71
GST Demand	29.33	0.00	0.00
<b>Total</b>	<b>1,029.88</b>	<b>427.36</b>	<b>614.64</b>

**AVANA ELECTROSYSTEMS LIMITED**  
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CIN- U31400KA2010PLC054508

**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

**Note-30**

**Restated Statement on Disclosure Under AS 15**

**Restated Employee Benefits**

**I. Defined Contribution plans**

The Company has classified the various benefits provided to employees as under:

a. Contribution to provident fund & Other funds

The expense recognised during the period towards defined contribution plan -

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2025	31 March 2024	31 March 2023
Employers' Contribution to Provident Fund & Other funds	₹ 43.78	₹ 35.56	₹ 32.47

**II. Defined Benefit plans**

**Gratuity**

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2025	31 March 2024	31 March 2023
<b>1 Changes in present value of obligations</b>			
<b>Present value of obligation as at the beginning of the period</b>	<b>106.18</b>	<b>94.65</b>	<b>73.80</b>
Interest cost	7.43	6.81	4.87
Current service cost	14.98	11.43	8.98
Benefits paid	(3.20)	(9.56)	-
Actuarial (Gain) / Loss on obligations	(30.02)	(34.62)	(29.15)
<b>Present value of obligation as at the end of the period</b>	<b>95.37</b>	<b>68.71</b>	<b>58.50</b>
<b>2 Change in the Fair Value of Plan Assets</b>			
<b>Fair Value of Plan Assets at the start of the year</b>	<b>52.47</b>	<b>48.41</b>	<b>37.22</b>
Employer's Contribution	12.48	10.72	8.83
Benefits paid	(3.20)	(9.56)	-
Expected Return on Plan Assets	3.85	3.28	2.54
Actuarial (Loss)/ Gain	(0.18)	(0.38)	(0.18)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>65.42</b>	<b>52.47</b>	<b>48.41</b>
<b>3 Actuarial (Gain) / Loss recognised</b>			
Actuarial (Gain) / loss for the period – Obligations	(30.02)	(34.62)	(29.15)
Actuarial (Gain) / Loss for the period – Plan assets	0.18	0.38	0.18
Total (Gain) / Loss for the period	(29.84)	(34.24)	(28.97)
Actuarial (Gain) / Loss recognised in the period	(29.84)	(34.24)	(28.97)
Unrecognised actuarial (Gain) / Loss at the end of the period	-	-	-
<b>4 Amount to be recognised in the Balance Sheet</b>			
Present value of obligation at the end of period	(95.37)	(68.71)	(58.50)
Fair value of the plan assets at the end of period	65.42	52.47	48.41
Surplus / (Deficit)	(29.95)	(16.24)	(10.09)
Current liability	29.95	16.24	10.09
Non-current liability	-	-	-
Unrecognised past service cost	-	-	-
Amount not recognised as asset (Para 59(b) limit)	-	-	-
Net asset / (liability) recognised in balance sheet	29.95	16.24	10.09
<b>5 Expense recognised in the statement of profit and loss</b>			
Current service cost	14.98	11.43	8.98
Past service cost	-	-	-
Interest cost	7.43	6.81	4.87
Expected Return on Plan Assets	(3.85)	(3.28)	(2.54)
Actuarial (Gain) / Loss recognised in the period	(29.84)	(34.24)	(28.97)
Expenses/(Income) recognised in the statement of profit & loss at the end of period	(11.28)	(19.28)	(17.66)

**AVANA ELECTROSYSTEMS LIMITED**  
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**Annexure-V: Notes to Restated Financial Information**

(Amount in INR lakhs, except for share data unless otherwise stated)

<b>6 Reconciliation of net asset / (liability) recognised</b>			
Net asset / (liability) recognised at the beginning of the period	(53.71)	(46.24)	(36.58)
Benefits directly paid by Company	12.48	10.72	8.83
(Expense)/Income recognised at the end of period	11.28	19.28	17.66
Net asset / (liability) recognised at the end of the period	(29.95)	(16.24)	(10.09)
<b>7 Actuarial assumptions:</b>			
	<b>For the year ended</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2025</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mortality table	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Discount rate (p.a.)	6.4% p.a.	7% p.a.	7.2% p.a.
Salary escalation rate (p.a.)	10% p.a.	10% p.a.	10% p.a.
Expected rate of return on assets (p.a.)	7% p.a.	7.2% p.a.	6.6% p.a.
Retirement Age (in years)	60 years	60 years	60 years

**III. Leave encashment (Compensated Absence liabilities with respect to Privilege Leave)**

The liability towards compensated absences (privilege leave) for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 are based on actuarial valuation carried out by using projected accrual benefit method and debited to Profit and Loss account Rs. 31.47 Lakhs, Rs. 21.62 Lakhs and Rs. 18.69 Lakhs in financial year ended 31 March 2025, 31 March 2024 and 31 March 2023 respectively.

**1 Summary of Results**

The valuation results as at 31 March, 2025 and 31 March, 2024 are summarised in the tables below :

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2025	31 March 2024	31 March 2023
Defined Benefit Obligation (DBO)	95.37	68.71	58.5
Fair value of plan Assets	-65.42	-52.47	-48.41
Net Liability / (Asset) Recognised in the Balance Sheet	29.95	16.24	10.09
			-
Current / Non-Current bifurcation			
Current Liability	29.95	16.24	10.09
Liability / (Asset) Recognised in the Balance Sheet	29.95	16.24	10.09

**2 Plan Provisions**

The benefits valued in this Report are summarized below:

Valuation Date	31-Mar-25
Sponsoring Employer	AVANA ELECTROSYSTEMS LIMITED
Type of Plan	Other Long Term Benefit Plan
Plan Salary	Monthly Basic+DA
Normal Retirement Age	60 years
Leave Cycle	1 January to 31 December
No. of days considered in a month	30 Days
During service	Not Allowed
Encashment at separation	Allowed
Encashment formula	Leave Balance/ 30 x Monthly Salary.
For encashment	30 Days
Accumulation Limits for availment	30 Days
Leave in excess of accumulation limits	Lapsed at the end of the leave cycle
Annual Rate of Accrual	30 Days
Carry forward allowed to next leave cycle	No ceiling
Leave availment during service	Not Allowed
Vesting Period	NIL

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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

**3 Actuarial assumptions:**

	<b>For the year ended</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2025</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Mortality table	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Discount rate (p.a)	6.4% p.a.	7% p.a.	7.2% p.a.
Salary escalation rate (p.a.)	10% p.a.	10% p.a.	10% p.a.
Expected rate of return on assets (p.a.)	NA	NA	NA
Retirement Age (in years)	60 years	60 years	60 years

**NOTE:**

The Company has certain defined benefit obligations such as gratuity and leave encashment, which are required to be valued using actuarial assumptions in accordance with the provisions of Accounting Standard (AS) 15 – Employee Benefits.

- In the statutory financial statements of the Company for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, no actuarial valuation was carried out and the liabilities were recognized based on management estimates.
- For the purpose of preparation of the Restated Financial Statements, the Company has obtained actuarial valuations retrospectively as of each reporting date, and the liability for employee benefits and related expenses have been recomputed on the basis of the actuarial report

Management is of the view, and the Statutory Auditor has relied upon the report of the independent actuary, that the above adjustments are necessary to present a true and fair view of the financial position and results of the Company in accordance with applicable accounting standards.

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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

**Note-31**

**Restated Foreign exchange earnings/ expenditures during the year**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Foreign exchange earnings</b>			
Sales	-	-	-
<b>Foreign exchange expenditures</b>	-	-	-
Import (CIF Value)	-	-	-

**Note-32**

**Restated Unhedged Foreign Currency Exposure during the year**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2024
<b>Trade Payables</b>	-	-	-
<b>Trade Receivables (Currency: INR)</b>	-	-	-
Sundry debtors, sundry creditors, loans & advances balances are subject to confirmation.			

**Note-33**

**Non- Adjustment Items**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**Note-34**

**Material Regrouping**

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

**Note-35**

**Restated Payable to Micro, Small and Medium Enterprises**

The information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company and provided by the Parties.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2024
Principal amount outstanding	266.62	353.37	125.20
Interest on principal amount due	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSME Development Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME Development Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Development Act	-	-	-

**Note-36**

**Events after the reporting period**

The Board of Directors in their meeting held on 19th August 2025, approved a bonus issue of equity shares in the ratio of 21:1. The record date / allotment is to be subsequently determined and fractional entitlements (if any) will be settled as per the Articles and stock exchange practice. As this event occurred after the reporting date but prior to authorisation of the financial statements, the basic and diluted earnings per share for all periods presented have been adjusted retrospectively in accordance with AS 20 (Earnings Per Share) and AS guidance.

**Note-37**

**Segment Reporting Disclosures**

The Company is primarily engaged in the business of designing, manufacturing, and supplying electrical control, protection, and automation panels, as well as relays, for power system applications. These activities are considered to constitute a single business segment in terms of the applicable accounting standards. Accordingly, separate segment-wise disclosures have not been presented, as the entire operations of the Company relate to one reportable segment only.

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**Annexure-V: Notes to Restated Financial Information**

*(Amount in INR lakhs, except for share data unless otherwise stated)*

**Note - 38:**

**FCFE Computation**

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Cash Flow from Operations	1,001.53	258.73	-0.65
Taxes Paid	-324.88	-163.95	-31.10
Net CF from operations	<b>676.66</b>	<b>94.77</b>	<b>-31.75</b>
Less Capital Expenditure PPE	-23.47	-213.02	-13.76
Add Sale of Fixed Assets	-	-	-
Less Capital WIP	-	-	-
<b>FCF</b>	<b>653.19</b>	<b>-118.25</b>	<b>-45.50</b>
Add - Long term borrowing	-	54.46	232.08
Less - Repayment of borrowings	165.39	-	-
Add- Short term borrowings	-	139.65	79.66
Less- Repayment of Short Term borrowings	193.39	-	-
Less Interest exp (1-t)	61.67	71.87	63.08
<b>FCFE</b>	<b>232.73</b>	<b>3.99</b>	<b>203.16</b>

*tax calculation (1- PAT/PBT)*

*0.32*

*0.35*

*0.21*



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**Annexure-V: Notes to Restated Financial Information**

**Note 39**

**OTHER RELEVANT DISCLOSURES**

**Additional regulatory information required by Schedule III of Companies Act, 2013:**

- A.** Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.
- B.** The company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provision of the Income Tax Act, 1961.
- C.** The Company has not traded or invested in crypto currency or virtual currency for the year ended 31st March 2025, 31st March 2024 and 31st March 2023.
- D.** The Company do not had any transaction for the year ended 31st March 2025, 31st March 2024 and 31st March 2023 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- E.** The company has not been declared as willful defaulter by any bank or from any other lender for the year ended 31st March 2025, 31st March 2024 and 31st March 2023.
- F.** The company has registered all the charges which are required to be registered under the terms of the loan and liabilities and submitted Documents with ROC within the period as required by Companies Act, 2013.
- G.** As per the information & detail available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the companies act read with the Companies (Restriction on number of layers) Rules 2017.
- H.** Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- I.** Consequent to the requirement of section 135 and schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility ("CSR") Policy. This is the first year of CSR applicability in the Company as per the requirement of Section 135 (1).

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	4.95	-	-
b) Amount approved by the Board to be spent during the year	-	-	-
c) Amount spent during the year	-	-	-

- J.** The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- K.** Compliance with regards to the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable to the Company,
- L. Utilisation of Borrowed Funds and Share Premium**
  - (i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s), entity(ies) including foreign entities (intermediaries) with the understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security of the like to or on behalf of the ultimate beneficiary.
  - (ii) The Company has not received any from any person(s), entity(ies) including foreign entities (funding party with the understanding that the Company shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or provide any guarantee, security of the like to or on behalf of the ultimate beneficiary.
- M.** As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses an accounting software for maintaining its books of account that have a feature of, recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

**Note 40** Previous year figures have been regrouped and recasted wherever necessary to confirm current year's classification.

**ANNEXURE-IV**  
**AVANA ELECTROSYSTEMS LIMITED**  
**(Formerly known as Avana Electrosystems Private Limited)**  
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**Notes to restated financial Information:**

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL INFORMATION.**

**A. Corporate information**

Our Company was incorporated as a Private Limited Company under the name of “Avana Electrosystems Private Limited” under the Companies Act, 1956 vide certificate of incorporation dated 16th July 2010, issued by the Registrar of Companies, Bangalore, bearing CIN- U31400KA2010PTC054508. Further, our Company was converted into a Public Limited Company in pursuance of a Board Resolution dated December 05, 2024 and Special Resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 09, 2024 and the name of our Company was changed from “Avana Electrosystems Private Limited” to “Avana Electrosystems Limited” and a new certificate of incorporation dated December 17, 2024, consequent upon conversion, has been issued by the Registrar of Companies, Central Processing Centre, bearing CIN- U31400KA2010PLC054508.

The company is engaged in the business of manufacturing and dealers in various types of electronic products, switchgear products, circuit breakers, relay, control and protection panels, electric distribution boards, electronic meters, transformers, raw materials, assemblies, spares, accessories, consumables, disposables, tools, test equipment's, measuring equipment's, telecommunication products, satellite products, information technology products, substation, automation products, SCADA, energy saving equipment's, battery charges, current transformers, power transformers, etc.

**B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation of financial statements:**

The Restated Statement of Assets and Liabilities of the Company as on March 31, 2025, March 31, 2024 and March 31, 2023 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the annexures thereto (collectively, the "Restated Financial Statements") have been compiled by the management from the Audited Financial Statements of the Company for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME platform of Bombay Stock Exchange Limited ("BSE SME") in connection with its proposed Initial Public Offer. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Financial Statements.

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) to comply with the Accounting Standards specified u/s Section 133 read with the relevant provisions of the Companies Act, 2013. The

**Avana Electrosystems Limited**  
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**(All amounts in Rs. Lakhs, except as otherwise stated)**

financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – noncurrent classification of assets and liabilities.

**2. Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates, difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

**C. Significant Accounting Policies:**

**1. Revenue Recognition:**

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured. Revenue from Sale of products is recognized when the risks and rewards of ownership are passed on to the customers, generally, at the time of delivery and acceptance and after consideration of all the terms and conditions of the customer contract.

The Company reports revenues net of taxes.

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

**2. Expenditure:**

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities. Expenses incurred on and directly attributable to the company's manufacturing activities are charged to revenue as 'period costs'.

**3. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

#### **4. Provisions and contingent liabilities:**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

#### **5. Property Plant and Equipment:**

Property Plant and Equipment are stated at cost less depreciation. The Company capitalizes all cost relating to the acquisition and installation of fixed assets.

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1st April 2014.

Depreciation on tangible fixed assets is provided on the written down value method, based on life of assets and in the manner specified in Schedule II to the Companies Act, 2013 and individual assets acquired for a value less than (or) equal to Rs.5,000/- are not capitalized.

The useful lives of assets and the manner specified in Schedule II to the Companies Act, 2013 is as per the table below:

<b>Asset Description</b>	<b>No. of Years</b>
Computers & Accessories	3
Plant & Machinery	15
Furniture & Fixtures	10
Office Equipment	5
Tools	5
Car	8
Leasehold Improvements	30

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

#### **6. Impairment of Assets:**

The Company assess at each Balance Sheet date whether there is any indication that any of the assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognized in the profit and loss account. As on the Balance Sheet date the Company assessed for impairment of assets and found no indication of impairment of assets as per Accounting Standard (AS-28).

**7. Effects of changes in Foreign Exchange rates:**

- a. Foreign currency transactions of Income and Expense during the year are recorded at the rate prevailing on the date of transaction.
- b. Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Profit and Loss account.
- c. Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except those arising from investments in non-integral operations.

**8. Leases:**

Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment at the inception of the lease term. These are disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

**9. Cash and cash equivalents:**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**10. Income Taxes:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- a) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- b) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer

reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **11. Employee Benefits:**

##### **a. Defined –contribution plans**

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund, Superannuation Fund and Certain State plans like Employees' State Insurance and Employees' Pension Scheme. Presently the company provides for Employees' Provident Fund, Pension Scheme and Employees' State Insurance. The company does not provide for Superannuation benefits. The company's payments to the defined contribution plans recognized as expense during the period in which the employees perform the services that the payment covers.

##### **b. Defined-benefit plans:**

The Group provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss.

#### **12. Borrowing costs:**

Borrowing costs that are attributable to the acquisition, construction or productivity of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

#### **13. Valuation of Inventories:**

Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. "Cost" means standard weighted average cost exclusive of all statutory levies but inclusive of transit insurance, wherever applicable.

- a.** Raw materials and component inventories (excluding non-standard, non-moving and obsolete items) are valued at lower of cost and net realizable value.

- b.** Finished goods and Semi-Finished goods are valued at cost or net realizable value, whichever is lower.

**14. Related Party Disclosures:**

Transactions between related parties are disclosed as per Accounting Standard 18, "Related Party Disclosures". Accordingly, disclosures regarding the name of the transacting-related party, description of the relationship between the parties, nature of transactions and the amount outstanding as at the end of the accounting year, are made.

**15. Product Warranty:**

Provisions for warranty-related costs are recognized on estimated basis when the product is sold or service provided to the customer. Initial recognition is based on historical experience of the product / services failures as well as current information of repair costs. The initial estimate of warranty-related costs is revised annually.

Product warranty expenses are provided on an estimated basis. The management estimate of the provision amount is primarily based on historical experience of the product/service failures as well as current information of repair costs.

**16. Earnings Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**D. CHANGES IN ACCOUNTING POLICIES.**

There were no changes in the accounting policies adopted by the Company during the period under review, which needs to be adjusted in the Restated Financial Statements.

**E. DISCLOSURE OF EMPHASIS OF MATTER/QUALIFICATION**

There was no matter of emphasis or qualifications reported by the earlier Statutory Auditors in the financial statements of the Company for the earlier years audited by them for or the present Peer Reviewed Auditors of the Company on the financial statements reviewed and audited by them as per the requirements of SEBI (ICDR) Regulations, 2018, which has an impact on the financial statements. Hence, no adjustments are required in the restated financial statements.

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## FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for various purposes like capital expenditure, working capital requirements etc. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

As on the date of filing of this Draft Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013. Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

For details regarding the borrowing powers of our Board, please see “*Our Management – Borrowing Powers of the Board*” on page 191.

### I. Secured Loans

The Company has taken the following secured loans from financial institutions:

Name of Lender	Nature of Facility	Nature of Security	Sanctioned Amount (Rs. in Lakhs)	Rate of interest per annum (%)	Re-Payment Schedule		Outstanding amount as on (as per Books) (Rs. In Lakhs)		
					No of EMI (in Months)	EMI Amount (Rs. In Lakhs)	31-03-2025	31-03-2024	31-03-2023
National Small Industries Corporation Ltd	Cash Credit- Raw Material Assistance Scheme	BG Equivalent to the value of limit sanctioned from any nationalized bank/Approved Bank of NSIC	25.00	9.00	NA	NA	-	-	20.85
HDFC Bank	Auto Loan	Hypothecation of the vehicle	10.05	8.75	60.00	0.21	7.93	9.64	-
HDFC Bank			26.70	8.50	60.00	0.55	21.04	25.61	-
HDFC Bank			31.80	8.50	60.00	0.65	25.06	30.51	-
HDFC Bank			31.80	8.50	60.00	0.65	25.06	30.51	-
HDFC Bank	Drul	<b>Primary</b> - Accepted LCS From Other Banks, Book Debts, Fixed Deposit With 100%,	300.00				-	-	-
	Letter of Credit		45.00				-	-	-
	Letter of Credit		135.00				-	-	-
	Cash credit		200.00				279.36	433.26	240.09
	Bank Guarantee		200.00				-	-	-



	Bank Guarantee	Fixed Deposit With	100.00				-	-	-
	Bank Guarantee	60%, Industrial, Stock	100.00				-	-	-
	EEG-TERM LOANS	<b>Collateral-</b> 1. Personal Guarantee 2. Vacant Land- In the name of Avana Electrosystems Limited -Site No 1a Flot No-35 Khata No 35 0 Ward No 39 2nd Phase Peenya Industrial Area Bangalore Karnataka 560058 (With equitable mortgage Charges)	30.00	9.41	24.00	1.38	13.19	27.71	-
	Letter of credit- Sub limit of cash credit		(10.00)				-	-	-
	Letter of credit- Sub limit of Bank Guarantee		(400.00)				-	-	-
<b>Total</b>			-				<b>371.65</b>	<b>557.24</b>	<b>260.95</b>

\* As certified by Vasanth & Co., Chartered Accountants, pursuant to their certificate dated September 20, 2025.

## II. Unsecured Loans from Directors - NIL

## III. Unsecured Loans Other than Directors:

Name of Lender	Nature of Facility	Sanctioned Amount (Rs. in Lakhs)	Rate of interest per annum (%)	Re-Payment Period	EMI Amount (Rs. In Lakhs)	Outstanding amount as at (Rs. In Lakhs)		
						31-03-2025	31-03-2024	31-03-2023
Komal A	Business Loan_ Working Capital	18.00	13.80	12months	1.50	-	-	10.50
B Capital	Business Loan_ Working Capital	24.00	12.00	12months	2.00	-	-	14.00

L M Credits	Business Loan_ Working Capital	24.00	12.00	12months	2.00	-	-	14.00
Umesh Electro Marketix	Business Loan_ Working Capital	24.00	12.00	12months	2.00	-	-	16.00
M M Ahuja	Business Loan_ Working Capital	24.00	12.00	12months	2.00	-	-	14.00
Aashish Combine	Business Loan_ Working Capital	12.00	12.00	12months	1.00	-	-	7.00
Bharat S Ahuja	Business Loan_ Working Capital	12.00	12.00	12months	1.00	-	-	7.00
Kishandas Jethanand	Business Loan_ Working Capital	24.00	12.60	12months	2.00	-	-	14.00
J R Consultancy	Business Loan_ Working Capital	18.00	12.00	12months	1.50	-	-	12.00
Prem Kumar	Business Loan_ Working Capital	24.00	12.00	12months	2.00	-	-	16.00
Clix Capital Service Private Limited	Business Loan_ Working Capital	40.19	18.00	36months	1.46	15.00	28.86	40.73
Fullerton India Credit Co. Ltd.	Business Loan_ Working Capital	40.25	17.00	25months	1.99	-	21.53	40.99
Axis Bank LTD	Business Loan_ Working Capital	50.00	16.50	36months	1.77	17.89	34.65	48.87
Deutsche Bank	Business Loan_ Working Capital	40.00	18.05	36months	1.45	15.05	28.86	40.64
Standard Chartered Bank	Business Loan_ Working Capital	100.00	16.00	36months	3.52	16.90	53.16	84.10
Kotak Mahindra Bank LTD	Business Loan_ Working Capital	40.00	16.74	36months	1.43	14.87	28.68	40.63
Unity Small Finance Bank	Business Loan_ Working Capital	51.00	18.50	36months	1.86	20.51	37.58	51.79

Fedbank Financial Services LTD	Business Loan Working Capital	30.25	17.25	36months	1.08	21.07	29.60	-
Tata Capital LTD	Business Loan Working Capital	60.00	17.25	36months	2.15	41.09	58.39	-
Yes Bank	Business Loan Working Capital	50.00	16.50	36months	1.77	34.49	48.73	-
<b>Total</b>		-				<b>196.86</b>	<b>370.04</b>	<b>472.24</b>

**Note:**

1) The above statement should be read with the significant accounting policies and notes to Restated statements of assets and liabilities, Restated statements of profits and losses and Restated statements of cash flows appearing in Annexures IV, I, II and III.

2) The Company does not have any Long-Term Borrowings from promoters/group companies/ subsidiaries/ material associate companies/ related parties as per Accounting Standard-18.

3) The Company does not have any continuing default in repayment of loans and interest as on the reporting date.

4) The company is not declared as "wilful defaulter" by any bank or financial Institution or other lender as on the reporting date.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page 209 of this Draft Red Herring Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.*

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements included in this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page no. 31 of this Draft Red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Avana Electrosystems Ltd., our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 included in this Draft Red Herring Prospectus beginning on page no. 209.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our Company was incorporated as a private limited company under the name and style of 'Avana Electrosystems Private Limited' under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 16, 2010 issued by the Deputy Registrar of Companies, Karnataka (RoC). Pursuant to a special resolution passed by our Shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a public limited company and the name of our Company was changed to 'Avana Electrosystems Limited' and a fresh certificate of incorporation dated December 17, 2024 has been issued to our Company by the Central Processing Centre. The Corporate Identification Number of our Company is: U31400KA2010PLC054508.

Our Company is promoted by Anantharamaiah Panish, Gururaj Dambal, S Vinod Kumar and K N Sreenath, each of whom has an experience of over two decades.

Broadly, we are engaged in the manufacturing of:

- A. Control and Relay Panels, and
- B. Relays

We are a manufacturer of customised Control and Relay Panels ranging from 11kv to 220kv for Power System Monitoring, Control and Protection Applications Transmission Lines, Power Transformers, Bus Bar, Capacitor Bank, etc, for both indoor and outdoor usage, MV and LV Panels, Protection Relays and Substation Automation Systems. These panels are used across various sectors and industries to facilitate the transmission and distribution of electrical power such as in solar power plants, wind power farms, other power generation plants, power transmission stations, electricity board sub-stations, power utilities companies etc.

We also manufacture relays, which is a device used in electrical systems to detect faults and protect equipment by analysing electrical parameters and executing protective actions.

We are an ISO 9001:2015 certified company.

For further details, please refer chapter titled "Our Business" beginning on page 140 of this Draft Red Herring Prospectus.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD i.e., MARCH 31, 2025

In the opinion of the Board of Directors of our Company, except as stated below, there have not occurred any significant development since the date of the last audited period, that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

- The Board of Directors of our Company have approved vide resolution dated August 19, 2025, to issue and allot 1,66,75,344 Bonus Equity shares of Face Value of ₹ 10/- in the ratio of 21:1.

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 31, of this Draft Red Herring Prospectus. Our Company’s future results of operations could be affected potentially by the following factors:

1. The facility on which we intend to set up our new unit and for which the IPO proceeds is proposed to be used is subject to certain conditions and in case we fail to meet these stipulated conditions, we may lose the right to utilise the land and this could have an adverse negative impact on our business and financial condition.
2. We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders and recalls.
3. Demand for our Relays and our Control and Relay Panels business is dependent on growth in the power generation, transmission and distribution industry & infrastructure, that may contribute to fluctuations in our results of operations and financial condition.
4. We depend on the State-Owned Power Distribution Companies, EPC service providers and public utilities for selling of our products which may affect our revenue from operation and profits.
5. Our Company has not yet awarded the civil work contract for the proposed new manufacturing facility and any delay in awarding the civil work contract may result in time and cost overruns, and may affect our profitability.
6. Product designing is very important part for our equipment for which we rely on our team. Any loss or error by these employees may have an adverse effect on our equipment and operations.

## SIGNIFICANT ACCOUNTING POLICIES

For significant accounting policies please refer Significant Accounting Policies, “Annexure VII” beginning under “*Restated Financial Statements*” on page 209 of this Draft Red Herring Prospectus.

Set out below are a few key performance indicators:

### Financial Key Performance Indicators of our Company

(₹ in lakhs)

Particulars	Units	For the financial year ended March 31,		
		2025	2024	2023
Revenue from Operations <sup>(1)</sup>	(₹ in lakhs)	6,148.58	5,298.77	2,840.65
Growth in Revenue from Operations <sup>(2)</sup>	(YoY%)	16.04%	86.53%	36.66%
Gross Profit <sup>(3)</sup>	(₹ in lakhs)	2,939.28	2,054.99	1,216.13
Gross Profit Margin <sup>(4)</sup>	(%)	47.80%	38.78%	42.81%
EBITDA <sup>(5)</sup>	(₹ in lakhs)	1,251.96	741.97	192.04
EBITDA Margin <sup>(6)</sup>	(%)	20.36%	14.00%	6.76%
Profit After Tax <sup>(7)</sup>	(₹ in lakhs)	831.23	402.41	92.29
PAT Margin <sup>(8)</sup>	(%)	13.52%	7.59%	3.25%
RoCE <sup>(9)</sup>	(%)	53.71%	40.02%	15.31%
RoE <sup>(10)</sup>	(%)	47.11%	35.07%	10.25%
Return on Assets <sup>(11)</sup>	(%)	19.00%	12.09%	3.80%
Operating Cash Flows <sup>(12)</sup>	(₹ in lakhs)	676.66	94.77	(31.75)
Net Fixed Asset Turnover <sup>(13)</sup>	(in times)	17.90	18.67	14.39

The above figures have been certified by our Statutory Auditors Vasanth & Co., Chartered Accountants pursuant to their Certificate dated September 19, 2025.

### Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) Growth in revenue from operations(yoy%) is calculated by subtracting the previous period's revenue from the current period's revenue, and then dividing that number by the previous period's revenue

- (3) *Gross Profit is the Revenue from Operations of the Company as reduced by the cost of materials consumed and Changes in Inventories of finished goods, work in progress and stock-in-trade*
- (4) *Gross Profit Margin (%) is Gross Profit divided by Revenue from Operations*
- (5) *EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income*
- (6) *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*
- (7) *Profit After Tax (PAT) is calculated as Profit before tax – Tax Expenses.*
- (8) *PAT Margin is calculated as PAT for the year divided by revenue from operations.*
- (9) *Return on Capital Employed (ROCE) is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term borrowings deducted by intangible assets.*
- (10) *Return on Equity (ROE) is ratio of Profit after Tax and average Shareholder Equity*
- (11) *Return on Assets (ROA) is equal to PAT / average total assets deployed wherein average total assets deployed = (Opening total assets + Closing total assets)/2*
- (12) *Operating cash flow is extracted from Cash Flow Statement in Restated Financial Statements*
- (13) *Net Fixed Asset Turnover is equal to net revenue from operations/average fixed assets wherein average fixed assets = (Opening fixed assets + Closing fixed assets)/2*

## **DETAILS OF THE REVENUE RECOGNITION METHOD ADOPTED BY THE ISSUER AND ITS BASIC PARAMETERS**

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured. Revenue from Sale of products is recognized when the risks and rewards of ownership are passed on to the customers, generally, at the time of delivery and acceptance and after consideration of all the terms and conditions of the customer contract. The Company reports revenues net of taxes. Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

## **COMPONENTS OF INCOME AND EXPENDITURE**

### **Total Income**

Our total income is divided into –

- Revenue from operations: Revenue from operations consists of Sale of Products and Sale of Services wherein Sale of Products comprises of Domestic Sales
- Other income: Other income consists of Interest on Term Deposits against BG and LC and other non-recurring income.

### **Total Expenses**

Our total expenses comprise of -

- Cost of materials consumed;
- Changes in Inventories of finished goods;
- Work-in-progress;
- Stock-in-Trade;
- Employee benefits expenses;
- Finance costs;
- Depreciation and amortisation expense; and
- Other expenses.

### **Cost of materials consumed**

Cost of materials consumed includes opening stock of raw material plus purchase of raw materials and consumables less closing stock of raw materials.

### **Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade**

It includes Changes in inventories of finished goods and work in progress, wherein closing stock of inventories of finished goods and WIP is deducted by opening stock of inventories of finished goods and WIP.

### **Employee benefits expenses**

Employee benefits expenses comprise of Salaries & wages, Leave encashment, Staff Welfare Expenses, Contributions to Gratuity Fund and Labour Welfare Fund.

## Finance Costs

Finance costs include Interest Expenses (including Interest on OD and Interest on Term Loan) and Other Charges (including L C Interest & Discounting charges and Bank Charges).

## Depreciation and Amortization Expenses

Depreciation and amortization expenses comprise of Depreciation on property, plant & equipment, and Amortization of intangible assets.

## Other Expenses

Other expenses include –

- Selling & Distribution Expenses like - Marketing, Consultancy & Exhibition Charges, Clearing, Forwarding & Freight and Sales Promotion Expenses; and
- Operating, Administrative & Other Expenses like Labour Charges, Legal & Professional Charges, Installation & Commissioning Charges, Warranty Expenses, Travelling Expenses, Security Service Charges, Power & Electricity, Insurance Expenses, Rental Expenses, Liquidated Damage Charges, Rates & Taxes, Conveyance Expenses, Repairs & Maintenance, Office Maintenance, Communication Expenses, Printing & Stationery, CSR Contribution and Bad Debts written off.

## RESULTS OF OPERATION

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of our Company for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023.

(₹ In Lakhs except percentages)

Particulars	Fiscal 2025 (₹)	% of Total Income	Fiscal 2024 (₹)	% of Total Income	Fiscal 2023 (₹)	% of Total Income
<b><u>A. Revenue</u></b>						
Revenue from Operations	6,148.58	97.70%	5,298.77	99.50%	2,840.65	99.38%
Other Income	144.81	2.30%	26.80	0.50%	17.86	0.62%
<b>Total Income</b>	<b>6,293.39</b>	<b>100.00%</b>	<b>5,325.57</b>	<b>100.00%</b>	<b>2,858.51</b>	<b>100.00%</b>
<b><u>B. Expenses</u></b>						
Cost of materials consumed	3,311.35	52.62%	3,262.81	61.27%	1,842.12	64.44%
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(102.06)	(1.62)%	(19.03)	(0.36)%	(217.61)	(7.61)%
Employee benefits expense	886.46	14.09%	588.70	11.05%	477.37	16.70%
Finance costs	91.25	1.45%	111.19	2.09%	80.29	2.81%
Depreciation and Amortisation Expense	75.63	1.20%	35.00	0.66%	12.16	0.43%
Other Expenses	800.87	12.73%	724.33	13.60%	546.72	19.13%
<b>Total Expenses</b>	<b>5,063.50</b>	<b>80.46%</b>	<b>4,702.99</b>	<b>88.31%</b>	<b>2,741.05</b>	<b>95.89%</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>	<b>1,229.88</b>	<b>19.54%</b>	<b>622.58</b>	<b>11.69%</b>	<b>117.46</b>	<b>4.11%</b>
Exceptional Items	0.00	0.00%	0.00	0.00%	0.00	0.00%
<b>Profit Before Extraordinary Items and Tax</b>	<b>1,229.88</b>	<b>19.54%</b>	<b>622.58</b>	<b>11.69%</b>	<b>117.46</b>	<b>4.11%</b>
Extraordinary Items	0.00	0.00%	0.00	0.00%	0.00	0.00%
<b>Profit Before Tax</b>	<b>1,229.88</b>	<b>19.54%</b>	<b>622.58</b>	<b>11.69%</b>	<b>117.46</b>	<b>4.11%</b>

<b>Tax Expense:</b>						
(1) Current tax	325.70	5.18%	163.95	3.08%	31.10	1.09%
(2) Current tax expense relating to prior years	(0.82)	(0.01)%	0.00	0.00%	0.00	0.00%
(3) Deferred tax	(2.24)	(0.04)%	19.67	0.37%	(6.19)	(0.22)%
<b>Prior Period Items</b>						
Gratuity and leave encashment adjustment	76.02	1.21%	36.55	0.69%	0.26	0.01%
<b>Profit/(Loss) for the period</b>	<b>831.23</b>	<b>13.21%</b>	<b>402.41</b>	<b>7.56%</b>	<b>92.29</b>	<b>3.23%</b>

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2025 WITH FINANCIAL YEAR ENDED MARCH 31, 2024.**

**Components of Balance Sheet**

(₹ in Lakhs except percentage)

Particulars	Fiscal 2025	Fiscal 2024	Increase/Decrease	% increase/decrease
Long-term Borrowings	126.16	291.55	(165.39)	(56.73)%
Short Term Borrowings	442.35	635.75	(193.39)	(30.42)%
Trade Payables	927.17	676.29	250.88	37.10%
Other Current Liabilities	463.50	317.71	145.79	45.89%
Short-term Provisions	802.93	537.35	265.58	49.42%
Property, Plant and Equipment	317.26	369.66	(52.40)	(14.17)%
Inventories	1470.95	1193.31	277.64	23.27%
Trade Receivables	2119.08	1483.64	635.44	42.83%
Cash and Cash Equivalents	530.71	378.33	152.38	40.28%
Short-term Loans and Advances	358.15	246.17	111.98	45.49%
Other Current Assets	96.35	57.17	39.18	68.53%

Long-Term Borrowings

Long-Term Borrowings have decreased by 56.73% from ₹ 291.55 lakhs in FY 2024 to ₹ 126.16 lakhs in FY 2025. The decrease was primarily due to repayment of term loans during FY 2025.

Short-Term Borrowings

Short-Term Borrowings have decreased by 30.42% from ₹ 635.75 lakhs in FY 2024 to ₹ 442.35 lakhs in FY 2025. This decline is because of less utilisation of working capital limit by the Company.

Trade Payables

Trade Payables have increased by 37.10% from ₹ 676.29 lakhs in FY 2024 to ₹ 927.17 lakhs in FY 2025. Payables to other creditors increased substantially due to higher procurement volumes in FY 2025. This increase is in line with the growth in revenue from operations from ₹ 5,298.77 Lakhs in FY 2024 to ₹ 6,148.58 Lakhs in FY 2025.

Other Current Liabilities

Other Current Liabilities have increased by 45.89% from ₹ 317.71 lakhs in FY 2024 to ₹ 463.50 lakhs in FY 2025. This increase was mainly on account of the following reasons :

- increase in statutory dues payable from ₹ 25.68 Lakhs in FY 2024 to ₹ 276.76 Lakhs in FY 2025. Statutory dues payable reflects the GST payable by the Company outstanding to the tune of ₹ 248.72 lakhs for the month of March 2025.
- there has been a reduction in advances from customers from ₹217.05 Lakhs to ₹109.17 Lakhs.

Short-Term Provisions

Short-Term Provisions have increased by 49.42 % from ₹ 537.35 lakhs in FY 2024 to ₹ 802.93 lakhs in FY 2025 due to higher revenue and operating activities, requiring enhanced provisions for expenses like warranty, employee benefit



expenses and income tax (net off TDS).

#### Property, Plant and Equipment

Property, Plant and Equipment reduced by 14.17% from ₹ 369.66 lakhs in FY 2024 to ₹ 317.26 lakhs in FY 2025, due to depreciation during the year of ₹ 75.63 lakhs. Property, Plant and Equipment added during the year amounted to ₹ 20.32 lakhs.

#### Inventories

Inventories have increased by 23.27% from ₹ 1,193.31 lakhs in FY 2024 to ₹ 1,470.95 lakhs in FY 2025. Inventory levels increased in line with revenue growth and higher operational scale. To cater to increase customer demand and adequate stock availability, additional inventory was maintained.

#### Trade receivables

Trade receivables have increased by 42.83% from ₹ 1,483.64 lakhs in FY 2024 to ₹ 2,119.08 lakhs in FY 2025. This increase is due to corresponding growth in revenue from operations from ₹ 5,298.77 Lakhs in FY 2024 to ₹ 6,148.58 Lakhs in FY 2025.

#### Cash and Cash Equivalents

Cash and Cash Equivalents have increased by 40.28% from ₹ 378.33 lakhs in FY 2024 to ₹ 530.71 lakhs in FY 2025. The increase in cash balances is because of realisation of higher cash flow from operations during FY 2025.

#### Short Term Loans and Advances

Short Term Loans and Advances have increased by 45.49% from ₹ 246.17 lakhs in FY 2024 to ₹ 358.15 lakhs in FY 2025. This is primarily due to increased operational activity resulting in higher the GST input balance from ₹ 18.42 lakhs as at March 31, 2024 to ₹ 103.44 lakhs as at March 31, 2025.

#### Other Current Assets

Other Current Assets have increased by 68.53% from ₹ 57.17 lakhs in FY 2024 to ₹ 96.35 lakhs in FY 2025. The increase was primarily due to higher accrued interest on Fixed Deposits for margin money against borrowings, guarantee and deferred IPO expenses of ₹ 30.30 lakhs.

### **Components of Profit and Loss**

#### **Income**

##### Total Income

Our total income was increased by 18.17 % from ₹ 5,325.57 Lakhs in FY 2024 to ₹ 6,293.39 Lakhs in FY 2025 due to the factors described below:

##### Revenue from Operations

Our Revenue from Operations increased by 16.04 % in the year FY 2025. The amount increased from ₹ 5,298.77 Lakhs in FY 2024 to ₹ 6,148.58 Lakhs in FY 2025. This is because of:

##### 1) Revenue from - Existing Customers

During the FY ended 2025, we have received increased order from our existing customers. The increase in revenue from our top 5 customers is as below:

Existing customer Name	Sales (₹ in Lakhs)		Variance (₹ in Lakhs)
	FY 2025	FY 2024	
Customer-1	392.79	343.21	49.58
Customer-2	330.07	199.49	130.59
Customer-3	269.82	193.65	76.16
Customer-4	236.07	180.73	55.34

Customer-5	150.00	121.67	28.33
<b>Total</b>	<b>1,378.76</b>	<b>1,038.76</b>	<b>340.00</b>

*As per the certificate dated September 20, 2025 issued by Vasanth & Co., Chartered Accountants.*

## 2) Revenue from - New Customers:

During the financial year ended March 31, 2025, we have received orders from new customers which have led to the increase in the total revenue from operations of our Company. Revenue from our top new customers is as below:

<b>Name</b>	<b>FY 2025 (₹ in Lakhs)</b>
Customer-1	224.75
Customer-2	160.00
Customer-3	130.35
Customer-4	103.65
<b>Total</b>	<b>618.75</b>

*As per the certificate dated September 20, 2025 issued by Vasanth & Co., Chartered Accountants.*

## Other Income

Other income increased by 440.39 % from ₹ 26.80 Lakhs in FY 2024 to ₹ 144.81 Lakhs in FY 2025 because of the following reasons:

- Write back & write off of long outstanding advances from customers and for EMD provided to a few Electricity boards.
- Increase in interest income – Interest earned on term deposits increased from ₹24.62 Lakhs in FY 2024 to ₹29.21 Lakhs in FY 2025 due to increase in BG and respective Margin Money deposits.

## **Expenditure**

### Total Expenses

Our total expenses increased by 7.67 % from ₹ 4,702.99 Lakhs in Fiscal 2024 to ₹ 5,063.50 Lakhs in Fiscal 2025 due to higher revenue from operations generated by the Company.

### Purchase of Stock-in-Trade

Purchases of stock-in-trade decreased by 4.91%, from ₹3,666.80 Lakhs in FY 2024 to ₹3,486.93 Lakhs in FY 2025. We had an opening inventory of raw materials to the tune of ₹ 880.09 Lakhs in FY 2025 as against an opening inventory of ₹ 476.10 Lakhs in FY 2024 which was 84.85% more and hence lower purchase of raw materials was made in FY 2025.

### (Increase)/Decrease in Stock-In-Trade:

Our (Increase)/Decrease in Stock-in-trade improved by 436.34 %, from ₹ (19.03) Lakhs in FY 2024 to ₹ (102.06) Lakhs in FY 2025. The variance in changes in inventories of finished goods, work-in-progress, is primarily on account of higher inventory build-up during FY 2024-25 as compared to FY 2023-24. The Company has increased its production volume in anticipation of higher demand and to ensure uninterrupted supply to customers.

### Employee Benefit Expenses

The Employee Benefit Expense increased by 50.58 % from ₹ 588.70 Lakhs in FY 2024 to ₹ 886.46 Lakhs in FY 2025. This increase was primarily because of the following reasons:

- Directors were paid higher remuneration to the tune of ₹72.48 lakhs (i.e. from ₹112.92 Lakhs in FY 2024 to ₹ 185.40 Lakhs in FY 2025).
- Workforce expansion and annual increments.
- Company has not provided for gratuity, leave encashment in the past years., and the same has been provided for in the current year.

### Finance Costs

Our Finance Costs decreased by 17.93% from ₹ 111.19 Lakhs in FY 2024 to ₹ 91.25 Lakhs in FY 2025. The decrease was driven by lower interest expenses on overdraft facilities (₹5.17 Lakhs in FY 2025 vs. ₹10.66 Lakhs in FY 2024),

decline in term loan interest (₹59.38 Lakhs in FY 2025 vs. ₹69.02 Lakhs in FY 2024), reduction in LC interest and discounting charges (₹17.37 Lakhs in FY 2025 vs. ₹19.67 Lakhs in FY 2024), and lower bank charges (₹9.33 Lakhs in FY 2025 vs. ₹11.84 Lakhs in FY 2024). The reduction in interest on loan was due to repayment of long-term loan to the tune ₹ 165.39 Lakhs and repayment of short-term loan to the tune of ₹ 193.39 Lakhs thereby impacting the interest expenses.

#### Depreciation and amortisation expense

The Depreciation and Amortization expenses increased by 116.11% from ₹ 35.00 Lakhs in FY 2024 to ₹ 75.63 Lakhs in FY 2025. This was due to capitalization of new assets during the year. Assets worth ₹20.32 Lakhs were added at the beginning of the year, leading to depreciation being charged for the full year. Capital WIP assets to the tune of ₹201.94 Lakhs was capitalized in the FY 2024. The full year depreciation on the same was charged during the FY ended 2025.

#### Other expenses

Other expenses increased by 10.57 % from ₹ 724.33 Lakhs in FY 2024 to ₹ 800.87 Lakhs in FY 2025. This was mainly due to:

##### *a. Legal & Professional Charges*

Legal and professional charges increased from ₹26.69 Lakhs in FY 2024 to ₹40.20 Lakhs in FY 2025, mainly due to higher consultancy-related expenses. During FY 2025, the Company engaged external experts to support business and compliance requirements.

##### *b. Travelling Expenses*

Travelling expenses increased from ₹34.81 Lakhs in FY 2024 to ₹73.32 Lakhs in FY 2025. The rise was mainly in line with overall business growth and higher operational activities, including greater customer interactions and vendor coordination.

##### *c. Insurance Expenses*

Insurance expenses increased from ₹21.28 Lakhs in FY 2024 to ₹37.60 Lakhs in FY 2025. The rise was mainly due to the Company availing a new life insurance policy of ₹10.00 Lakhs for the directors during the current year, in addition to regular renewals of existing policies. This step was taken to strengthen risk coverage and provide enhanced protection for employees and business operations.

##### *d. Corporate Social Responsibility (CSR) Expenses*

CSR expenses amounted to ₹4.95 Lakhs in FY 2025 as against Nil in FY 2024. This was incurred as the provisions of Section 135 of the Companies Act, 2013 became applicable to the Company during the current year, requiring allocation of funds towards CSR initiatives. Provision is created against the same during the FY 2025.

##### *e. Labour Charges*

Labour charges decreased from ₹134.89 Lakhs in FY 2024 to ₹121.79 Lakhs in FY 2025, primarily because a few workers who were earlier engaged on a contractual basis were moved to the Company's payroll. This reclassification shifted part of the expense from "Labour Charges" to "Employee Benefits Expense," thereby reducing the cost under this head.

##### *f. Installation & Commissioning Charges*

Installation and commissioning charges reduced from ₹32.00 Lakhs in FY 2024 to ₹30.74 Lakhs in FY 2025.

##### *g. Warranty Expenses*

Warranty expenses decreased as a percentage of revenue, despite a nominal increase in absolute value from ₹133.82 Lakhs in FY 2024 to ₹122.97 Lakhs in FY 2025.

#### Profit before Tax

Our profit before tax increased by 97.55 % from ₹ 622.58 lakhs for the FY 2024 to ₹ 1,229.88 Lakhs for the FY 2025. This was mainly due to increase in revenue from operations from Rs 5,298.77 Lakhs in FY 2024 to ₹ 6,148.58 Lakhs in FY 2025. Additionally, the increase in other income from ₹ 26.80 lakhs in FY 2024 to ₹ 144.81 lakhs in FY 2025 also

resulted in the increase in PBT during FY 2025.

#### Tax Expenses

Our total tax expense increased by 75.71% from ₹ 183.62 Lakhs in FY 2024 to ₹ 322.64 Lakhs in the FY 2025. This was due to the increase in Current Tax from ₹ 163.95 lakhs in FY 2024 to ₹ 325.70 lakhs in FY 2025 on account of increase in PBT from ₹ 622.58 lakhs in FY 2024 to ₹ 1,229.88 lakhs in FY 2025.

#### Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by 106.56 % from ₹ 402.41 Lakhs in FY 2024 to ₹ 831.23 Lakhs in FY 2025. This was majorly due to:

- Increase in revenue from operations from Rs 5,298.77 Lakhs in FY 2024 to ₹ 6,148.58 Lakhs in FY 2025. The gross margin of 52.91 % on the additional sale of Rs 849.80 Lakhs have mainly contributed to the increase in Profit for the period in FY 2025.
- Increase in Other Income by ₹ 118.01 lakhs from ₹ 26.80 lakhs in FY 2024 to ₹ 144.81 lakhs in FY 2025.
- Increase in Current Tax Expense from ₹ 163.95 lakhs in FY 2024 to ₹ 325.70 lakhs in FY 2025 due to increased PBT in FY 2025.
- Finance Cost reduced by ₹ 19.93 lakhs in FY 2025.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2024 TO FINANCIAL YEAR ENDED MARCH 31, 2023.**

#### **Components of Balance Sheet**

(₹ in Lakhs)				
Particulars	Fiscal 2024	Fiscal 2023	Increase/Decrease	% increase/decrease
Long-term Borrowings	291.55	237.09	54.46	22.97%
Short Term Borrowings	635.75	496.10	139.65	28.15%
Trade Payables	676.29	575.65	100.64	17.48%
Other Current Liabilities	317.71	334.13	(16.42)	(4.92)%
Short-term Provisions	537.35	262.70	274.66	104.55%
Property, Plant and Equipment	369.66	198.00	171.66	86.70%
Deferred Tax Assets (net)	5.15	24.82	(19.67)	(79.24)%
Inventories	1193.31	770.29	423.02	54.92%
Trade Receivables	1483.64	1115.56	368.09	33.00%
Cash and Cash Equivalents	378.33	310.14	68.19	21.99%
Short-term Loans and Advances	246.17	360.08	(113.91)	(31.63)%
Other Current Assets	57.17	40.53	16.64	41.07%

#### Long-Term Borrowings

Long-term borrowings increased by 22.97% from ₹237.09 lakhs as at March 31, 2023 to ₹291.55 lakhs as at March 31, 2024. The increase was primarily due to higher term loans availed from banks and NBFCs to support capital expenditure and capacity expansion. This reflects the Company's strategy of strengthening infrastructure and funding growth initiatives through long-term sources.

#### Short-Term Borrowings

Short-Term Borrowings have increased by 28.15 % from ₹ 496.10 lakhs in FY 2023 to ₹ 635.75 lakhs in FY 2024. The rise was mainly on account of increased utilization of cash credit facilities from banks and the impact of current maturities of long-term debt. The higher borrowings were necessitated by increased working capital requirements arising from growth in receivables and inventory.

#### Trade Payables

Trade Payables have increased by 17.48% from ₹ 575.65 lakhs in FY 2023 to ₹ 676.29 lakhs in FY 2024. Payables to MSMEs increased by 182.24%, from ₹125.20 lakhs in FY 2023 to ₹353.37 lakhs in FY 2024, mainly due to higher procurement from suppliers in line with business expansion and diversification of the vendor base.

### Other Current Liabilities

Other Current Liabilities decreased by 4.92% from ₹ 334.13 lakhs in FY 2023 to ₹ 317.71 lakhs in FY 2024. This was primarily because of the decrease in advances from customers which reduced from ₹247.61 lakhs in FY 2023 to ₹217.05 lakhs in FY 2024, decrease in GST Payable to ₹13.54 lakhs in FY 2024 from ₹18.65 lakhs in FY 2023. Outstanding liabilities rose from ₹56.52 lakhs in FY 2023 to ₹69.98 lakhs in FY 2024 owing to higher accruals of operating expenses.

### Short-Term Provisions

Short-Term Provisions increased by 104.55 % from ₹ 262.70 lakhs in FY 2023 to ₹ 537.35 lakhs in FY 2024. This was mainly due to increase in provision for warranty from ₹ 175.21 lakhs in FY 2023 to ₹ 309.02 lakhs in FY 2024 as a result of increased sales and increase in provision for income tax (net of TDS) from ₹ 3.08 lakhs in FY 2023 to ₹ 102.84 lakhs in FY 2024.

### Property, Plant and Equipment

Property, Plant and Equipment increased by 86.70% from ₹ 198.00 lakhs in FY 2023 to ₹ 396.66 lakhs in FY 2024. The increase was due to additions in office equipment amounting to ₹64.41 lakhs, vehicles amounting to ₹101.52 lakhs, plant & machinery amounting to ₹11.52 lakhs and computers amounting to ₹11.24 lakhs, reflecting the Company's focus on capacity expansion and infrastructure strengthening.

### Deferred Tax Asset (Net)

Deferred Tax Asset has decreased by 79.24 % from ₹ 24.82 lakhs in FY 2023 to ₹ 5.15 lakhs in FY 2024. The decrease is mainly attributable to lower timing differences on gratuity provisions, leave encashment and bonus (₹12.72 lakhs vs. negative ₹67.27 lakhs in FY 2023), offset by differences in depreciation between book and tax purposes (₹33.19 lakhs vs. ₹31.34 lakhs in FY 2023). The reduction reflects normalization of provision-related timing differences and higher capitalization during the year.

### Inventories

Inventories have increased by 54.92% from ₹ 770.29 lakhs in FY 2023 to ₹ 1,193.32 lakhs in FY 2024. Inventory levels increased in line with revenue growth and higher operational scale. The increase ensured adequate stock availability to meet customer demand and support business expansion.

### Trade receivables

Trade receivables have increased by 33.00 % from ₹ 1,115.56 lakhs in FY 2023 to ₹ 1,483.63 lakhs in FY 2024. This increase is in line with the growth in revenue from operations from ₹ 2,840.65 Lakhs in FY 2023 to ₹ 5,298.77 Lakhs in FY 2024.

### Cash and Cash Equivalents

Cash and Cash Equivalents increased by 21.99% from ₹ 310.14 lakhs in FY 2023 to ₹ 378.33 lakhs in FY 2024. The rise was driven by improved operating cash flows and efficient working capital management, despite higher investments in inventories and receivables.

### Short Term Loans and Advances

Short Term Loans and Advances have decreased by 31.63% from ₹ 360.08 lakhs in FY 2024 to ₹ 246.17 lakhs in FY 2025. This is mainly due to reduction in advances to suppliers to ₹0.13 lakhs in FY 2024 as compared to ₹133.28 lakhs in FY 2023.

### Other Current Assets

Other Current Assets have increased by 41.07 % from ₹ 40.53 lakhs in FY 2023 to ₹ 57.17 lakhs in FY 2024. The increase was mainly due to higher prepaid expenses ₹35.02 lakhs in FY 2024 as compared to ₹26.71 lakhs in FY 2023, reflecting advance payments for insurance, rentals and services, and higher accrued interest on fixed deposits to ₹22.15 lakhs in FY 2024 as compared to ₹13.82 lakhs in FY 2023.

## **Components of Profit and Loss**

### **Income**

### Total Income

Our total income increased by 86.31 % from ₹ 2,858.51 Lakhs in FY 2023 to ₹ 5,325.57 Lakhs in FY 2024 due to the factors described below:

### Revenue from Operations

Our Revenue from Operations increased by 86.53 % in the year FY 2024. The amount increased from ₹ 2,840.65 Lakhs in FY 2023 to ₹ 5,298.77 Lakhs in FY 2024. The growth was primarily on account of the following:

- a) Onboarding of new customers during FY 2024, contributing to incremental revenue. Revenue derived from few new customers is as follows:

Particulars	FY 2024 (₹ in Lakhs)
Customer-1	132.07
Customer-2	121.15
Customer-3	108.00
Customer-4	81.50
<b>Total</b>	<b>442.72</b>

- b) Higher repeat orders from some of the existing customers is outlined below:

Existing customers	Sales (₹ in Lakhs)		Variance
Particulars	FY 2024	FY 2023	(₹ in Lakhs)
Customer-1	237.65	57.96	179.69
Customer-2	252.46	73.13	179.33
Customer-3	200.50	36.63	163.87
Customer-4	219.88	86.34	133.54
Customer-5	140.16	10.83	129.33
<b>Total</b>	<b>1,050.65</b>	<b>264.89</b>	<b>785.75</b>

- c) Due to increase in volume of sales of relays by 101.81% from 36,481 units in FY 2023 to 73,621 units in FY 2024.

### Other Income

Other income increased by 50.03 % from ₹ 17.86 Lakhs in FY 2023 to ₹ 26.80 Lakhs in FY 2024 because of the following reasons:

The increase was mainly driven by interest on term deposits, which stood at ₹24.62 lakhs in FY 2024 as against ₹16.73 lakhs in FY 2023. This rise was attributable to margin money deposits placed with banks towards Bank Guarantees (BGs), which led to higher outstanding term deposit balances and consequent interest accrual.

### Expenditure

#### Total Expenses

Our total expenses increased by 71.58 % from ₹ 2,741.05 Lakhs in FY 2023 to ₹ 4,702.99 Lakhs in FY 2024 due to the factors described below:

#### Cost of Materials Consumed

The cost of materials consumed was ₹3,262.81 lakhs in FY 2024 as compared to ₹1,842.12 lakhs in FY 2023, an increase of 77.12% where the rise is in line with rise of Revenue from operation which increased by 86.53% in FY 2024, reflecting marginal improvement in material efficiency.

The increase in absolute cost was primarily due to:

- a) Higher purchases of raw materials and consumables, which increased to ₹3,666.80 lakhs in FY 2024 from ₹1,853.78 lakhs in FY 2023, on account of growth in scale of operations.

- b) An increase in closing stock of raw materials to ₹880.09 lakhs in FY 2024 as against ₹476.10 lakhs in FY 2023, reflecting procurement planning to support future demand.

#### (Increase)/Decrease of Stock-In-Trade

Changes in inventories of finished goods and work-in-progress decreased by ₹19.03 lakhs in FY 2024 as compared to a decrease of ₹217.61 lakhs in FY 2023. This was primarily on account of:

- a) An increase in closing stock of finished goods to ₹283.68 lakhs in FY 2024 from ₹256.61 lakhs in FY 2023, in line with higher scale of operations.
- b) A decrease in work-in-progress inventory to ₹29.53 lakhs in FY 2024 from ₹37.58 lakhs in FY 2023, reflecting improved production efficiency and faster conversion.
- c) A higher level of opening inventories in FY 2024 amounting to ₹294.19 lakhs as compared to FY 2023 amounting to ₹76.58 lakhs, which reduced the extent of net decrease during the year.

#### Employee benefit expenses

The Employee Benefit Expenses increased by 23.32 % from ₹ 477.37 Lakhs in FY 2023 to ₹ 588.70 Lakhs in FY 2024. As a percentage of revenue, employee costs declined to 11% in FY 2024 from 17% in FY 2023, reflecting improved cost efficiency due to revenue growth.

The increase in absolute cost was mainly due to:

- a) Salaries and wages, which increased from ₹463.97 lakhs in FY 2023 to ₹566.86 lakhs in FY 2024, on account of higher headcount from 92 to 112 employees and average annual incremental of around 10%.
- b) Staff welfare expenses, which increased from ₹12.34 lakhs in FY 2023 to ₹38.14 lakhs in FY 2024, owing to expanded welfare programs and employee engagement initiatives.
- c) Leave encashment provision, which decreased to ₹2.93 lakhs in FY 2024 from ₹18.69 lakhs in FY 2023.

#### Finance Costs

Our Finance Costs increased by 38.49% from ₹ 80.29 Lakhs in FY 2023 to ₹ 111.19 Lakhs in FY 2024.

The increase was driven by:

- a) Term loan interest of increased by 42.2% to ₹69.02 Lakhs in FY 2024 from ₹ 48.53 Lakhs due to higher loan utilisation.
- b) Overdraft interest increased by ₹10.27 Lakhs reflecting short-term working capital needs.
- c) LC interest and discounting charges increased by 94.2% in FY 2024 owing to higher trade volumes.

This was partly offset by 44.3% reduction in bank charges to ₹11.84 Lakhs in FY 2024 from ₹21.24 Lakhs in FY 2023 due to rationalisation of banking arrangements.

#### Depreciation and amortisation expense

The Depreciation and Amortization expenses increased by 187.86 % from ₹ 12.16 Lakhs in FY 2023 to ₹ 35.00 Lakhs in FY 2024. The increase in depreciation expense was primarily attributable to significant additions to property, plant and equipment during the year, particularly in vehicles amounting to ₹101.52 Lakhs, office equipment amounting to ₹64.41 Lakhs, plant and machinery amounting to ₹11.52 Lakhs and computers amounting to ₹11.24 Lakhs. Intangible assets (software) also increased by ₹11.08 Lakhs in FY 2024. These additions resulted in a higher depreciable base as compared to the previous year.

#### Other expenses

Other expenses increased by 32.49% from ₹ 546.98 Lakhs in FY 2023 to ₹ 724.72 Lakhs in FY 2024. The movement was primarily driven by the following major expense heads:

##### a) *Labour Charges*

Labour charges stood at ₹134.89 Lakhs in FY 2024 as against ₹62.49 Lakhs in FY 2023, an increase of ₹72.40 Lakhs (115.8%). This increase is in line with the growth in revenue from operations from ₹ 2,840.65 Lakhs in FY 2023 to ₹ 5,298.77 Lakhs in FY 2024. The increase was on account of higher deployment of contract labour to support expanded operational activities and increased service requirements during the year.

b) *Warranty Expenses*

Warranty expenses increased to ₹133.82 Lakhs in FY 2024 from ₹93.50 Lakhs in FY 2023, an increase of ₹40.32 Lakhs (43.1%). The increase corresponds with higher turnover during the year and aligns with the Company's customer-centric approach. This warranty claim is in line with the Revenue from the operations.

c) *Legal & Professional Charges*

Legal and professional expenses increased to ₹26.69 Lakhs in FY 2024 from ₹19.44 Lakhs in FY 2023, an increase of ₹7.25 Lakhs (37.3%). This increase was primarily attributable to higher engagement of professional & Technical Consultancy undertaken during the year.

d) *Travelling Expenses*

Travelling expenses rose to ₹34.81 Lakhs in FY 2024 from ₹6.47 Lakhs in FY 2023, an increase of ₹28.34 Lakhs (438.1%). This increase is in line with the growth in revenue from operations from ₹ 2,840.65 Lakhs in FY 2023 to ₹ 5,298.77 Lakhs in FY 2024. The rise was largely attributable to intensified business development, client meetings, and industry events. A notable one-time expense was the business trip to a foreign country, where travel and stay costs of about ₹3.22 Lakhs were incurred, contributing to the overall increase.

Profit before Tax

Our profit before tax increased by 430.03 % from ₹ 117.46 Lakhs for the FY 2023 to ₹ 622.58 Lakhs for the FY 2024. This was mainly due to increase in revenue from operations from Rs 2,840.65 Lakhs in FY 2023 to ₹ 5,298.77 Lakhs in FY 2024. The gross margin increased by ₹ 838.86 Lakhs during the FY 2024 as compared to FY 2023 and other expenses increased by ₹ 361.50 Lakhs which is in line with increase in revenue from operations for FY 2024 as compared to FY 2023.

Tax Expenses

Our total tax expense increased by 637.06% from ₹ 24.91 Lakhs in FY 2023 to ₹ 183.62 Lakhs in the FY 2024. This was primarily due to the increase in Current Tax from ₹ 31.10 Lakhs in FY 2023 to ₹ 163.95 Lakhs in FY 2024 and the increase in deferred tax from ₹ (6.19) Lakhs in FY 2023 to ₹ 19.67 Lakhs in FY 2024. This increase in tax is hence on account of increase in PBT from ₹ 603.50 Lakhs in FY 2024 to ₹ 1,125.50 Lakhs in FY 2025.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by 336.04 % from ₹ 92.92 Lakhs in FY 2023 to ₹ 402.41 Lakhs in FY 2024. This was majorly due to:

- a) Increase in revenue from operations from Rs 2,840.65 Lakhs in FY 2023 to ₹ 5,298.77 Lakhs in FY 2024. The gross margin increased by ₹ 838.86 Lakhs during the FY 2024 as compared to FY 2023 and other expenses increased by ₹ 361.50 Lakhs which is in line with increase in revenue from operations for FY 2024 as compared to FY 2023
- b) Increase in Other Income by ₹ 8.94 Lakhs from ₹ 17.86 Lakhs in FY 2023 to ₹ 26.80 Lakhs in FY 2024.
- c) Increase in Current Tax Expense from ₹ 31.10 Lakhs in FY 2023 to ₹ 3163.95 Lakhs in FY 2024 due to increased PBT in FY 2024.
- d) Employee Benefit Expenses increased by ₹ 111.33 Lakhs in FY 2024
- e) Depreciation and Amortization Expenses increased by ₹ 22.84 Lakhs in FY 2024
- f) Finance Cost increased by ₹ 30.90 Lakhs in FY 2024.

**CASH FLOWS**

The table below is our cash flows for the financial years ended on March 31, 2025, March 31, 2024, and March 31, 2023:

Particulars	For the Financial Year ended on March 31,		
	2025	2024	2023
Net Cash generated from/(utilised in) operating activities	676.66	94.77	(31.75)
Net Cash generated from/(utilised in) investing activities	(74.24)	(109.50)	(119.32)
Net Cash generated from/(utilised in) financing activities	(450.04)	82.92	231.46



## **Cash Flows from Operating Activities**

### For the year ended on March 31, 2025

Our net cash generated from operating activities was ₹ 676.66 Lakhs for the Fiscal 2025. Our net profit before tax of ₹ 1,229.88 Lakhs for the Fiscal 2025 which was primarily adjusted against Depreciation and amortization of ₹ 75.63 Lakhs, Prior Period Items of ₹ (76.02) Lakhs, Finance Cost of ₹91.25 Lakhs and Interest & Dividend Income of ₹29.21 Lakhs. Operating profit before working capital changes was ₹ 1,291.54 Lakhs for the Fiscal 2025. The adjustments to operating profit before working capital changes included adjustments for (i) Increase in Inventories of ₹277.64 Lakhs, (ii) Increase in trade receivables of ₹ 635.44 Lakhs, (iii) Increase in other current assets of ₹ 39.18 Lakhs, (iv) Increase in trade payables ₹ 250.88 Lakhs (v) Increase in short term provisions of ₹ 265.58 Lakhs (vi) Increase in current liabilities of ₹ 145.79 Lakhs. Tax paid for the Fiscal 2025 amount to ₹ 324.88 Lakhs.

### For the year ended on March 31, 2024

Our net cash generated from operating activities was ₹ 94.77 Lakhs for the Fiscal 2024. Our net profit before of ₹ 622.58 Lakhs for the Fiscal 2024 which was primarily adjusted against Depreciation and amortization of ₹ 35.00 Lakhs, Prior Period Items of ₹ (36.55) Lakhs, Finance Cost of ₹ 111.19 Lakhs and Interest & Dividend Income of ₹ (24.62) Lakhs. Operating profit before working capital changes was ₹ 707.60 Lakhs for the Fiscal 2024. The adjustments to operating profit before working capital changes included adjustments for (i) Increase in Inventories of ₹ 423.02 Lakhs, (ii) Increase in trade receivables of ₹ 368.09 Lakhs, (iii) Increase in other current assets of ₹ 16.64 Lakhs, (iv) Increase in trade payables ₹ 100.64 Lakhs (v) Increase in short term provisions of ₹ 274.66 Lakhs (vi) Decrease in current liabilities of ₹ 16.42 Lakhs. Tax paid for the Fiscal 2024 amount to ₹ 163.95 Lakhs.

### For the year ended on March 31, 2023

Our net cash utilised in operating activities was ₹ 31.75 Lakhs for the Fiscal 2023. Our net profit before tax of ₹117.46 Lakhs for the Fiscal 2023 which was primarily adjusted against Depreciation and amortization of ₹ 12.16 Lakhs, Finance Cost of ₹ 80.29 Lakhs and Interest & Dividend Income of ₹ 16.73 Lakhs. Operating profit before working capital changes was ₹ 192.92 Lakhs for the Fiscal 2023. The adjustments to operating profit before working capital changes included adjustments for (i) Increase in Inventories of ₹ 229.27 Lakhs, (ii) Increase in trade receivables of ₹ 420.49 Lakhs, (iii) Decrease in other current assets of ₹ 13.42 Lakhs, (iv) Increase in trade payables ₹ 279.98 Lakhs (v) Increase in short term provisions of ₹ 82.85 Lakhs (vi) Increase in current liabilities of ₹ 79.95 Lakhs. Tax paid for the Fiscal 2023 amount to ₹ 31.10 Lakhs.

## **Cash Flows from Investing Activities**

### For the year ended on March 31, 2025

Net cash flow used in investing activities for the Fiscal 2025 was ₹ 74.24 Lakhs. This was primarily on account of purchase of Tangible / Intangible Assets of ₹ 23.47 Lakhs and increase in Short-Term Loans and Advances Lakhs and Interest income of ₹ 29.21 Lakhs.

### For the year ended on March 31, 2024

Net cash flow used in investing activities for the Fiscal 2024 was ₹ 109.50 Lakhs. This was primarily on account of purchase of Tangible Assets / Intangible Assets ₹ 213.02 Lakhs and Increase in Other Current Assets of ₹ 35 Lakhs and interest income of ₹ 24.62 Lakhs.

### For the year ended on March 31, 2023

Net cash flow used in investing activities for the Fiscal 2023 was ₹ 119.32 Lakhs. This was primarily on account of purchase of Tangible Assets / Intangible Assets ₹ 13.76 Lakhs and Increase in Short-Term Loans and Advances of ₹ 122.29 Lakhs and interest income of ₹ 16.73 Lakhs.

## **Cash Flows from Financing Activities**

### For the year ended March 31, 2025

Net cash flow utilised in financing activities for the Fiscal 2025 was ₹ 450.04 Lakhs. This was primarily on account of repayment of long-term borrowings of ₹ 165.39 Lakhs; repayment of short-term borrowings of ₹ 193.39 Lakhs and Interest paid of ₹ 91.25 Lakhs.

#### For the year ended March 31, 2024

Net cash flow generated from financing activities for the Fiscal 2024 was ₹ 82.92 Lakhs. This was primarily on account of Interest paid of ₹ 111.19 Lakhs and proceeds from Short Term Borrowings of ₹ 139.65 Lakhs.

#### For the year ended March 31, 2023

Net cash flow generated from financing activities for the Fiscal 2023 was ₹ 231.46 Lakhs. This was primarily on account of Interest paid of ₹ 80.29 Lakhs and proceeds from Long Term Borrowings of ₹ 232.08 Lakhs.

### **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoter, directors and their entities and relatives primarily relate to remuneration, salary, commission and issue of Equity Shares. For further details of related parties kindly refer chapter titled “*Restated Financial Statements*” beginning on page 209 of this Draft Red Herring Prospectus.

### **OFF-BALANCE SHEET ITEMS**

Except for the contingent liabilities mentioned in Note 29 of Restated Financial Statements, we do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

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

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

### **QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. For further information, see “*Financial Indebtedness*” on page 246.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the salary, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Credit Risk**

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from our receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. We assess the credit quality of the counterparties, taking into account their financial position, past experience and other factors. We limit exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. We review the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

Our Company conducts an extensive financial and credibility check on the landlords before taking any property on lease and our Company has no instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period of rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the nonrealization risk. Our Company foresees no credit risks on deposits with regulatory authorities

#### **Liquidity risk**

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We manage liquidity risk by ensuring, that we will always have sufficient liquidity to meet our liabilities when due.

## **OTHER MATTERS**

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution

Except as disclosed in chapter titled “*Restated Financial Statements*” beginning on page 209 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

### **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our income from continuing operations identified above in ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations -Significant factors affecting our financial condition and results of operations’ and the uncertainties described in ‘*Risk Factors*’ on pages 251 and 31 respectively.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on 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*”, beginning on page 31 and 250 of this Draft Red Herring Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **Future relationship between Costs and Income**

Other than as described in the section titled “*Risk Factors*” beginning on page 31 of this Draft Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Changes in revenue in the last three financial years are as explained in the part “Comparison of financial year ended March 31, 2025 to financial year ended March 31, 2024 and Comparison of financial year ended March 31, 2024 to financial year Ended March 31, 2023” above.

### **Total turnover of industry segments**

Our Company is engaged into manufacturing of custom-built Control and Relay Panels from 11kv to 220kv for Power System Monitoring, Control and Protection Applications Transmission Lines, Power Transformers, Bus Bar, Capacitor Bank, etc, for both indoor and outdoor usage, MV and LV Panels, Relays and Control and Relays Panels and Substation Automation Systems. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 117 of this Draft Red Herring Prospectus.

### **Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page 140 of this Draft Red Herring Prospectus for new

products or business segments.

**The extent to which the business is seasonal**

Our business is not seasonal in nature.

**Competitive Conditions**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 117 and 140 respectively of this Draft Red Herring Prospectus.

## SECTION: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, the Directors and the Promoters including outstanding action; or (e) Material Litigation (as defined below); involving our Company, its Directors and the Promoters ("Relevant Parties").*

*Our Board of Directors, in its meeting held on September 05, 2025, determined that outstanding litigation involving our Company, its directors, its promoters, and group companies shall be considered material ("Material Litigation") if aggregate amount involved in such litigation exceeds:*

- a. two percent of turnover, as per the latest annual restated consolidated financial statements of the issuer; or*
- b. two percent of net worth, as per the latest annual restated consolidated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or*
- c. five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the issuer.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

*Our Board of Directors, in its meeting held on August 19, 2025, determined that outstanding dues to the small-scale undertakings and other creditors exceeding 5% of the Company's consolidated trade payables for the latest audited financial statements shall be considered as material dues for the Company for the purpose of disclosure in Offer Documents ("Material Dues"). Disclosures in the Offer Documents regarding material creditors, micro, small or medium enterprises and other creditors:*

- (i) For creditors identified as material based on the above-mentioned criteria ("Material Creditors"), the total number of Material Creditors and consolidated amounts due to such Material Creditors will be made in the Offer Documents.*
- (ii) For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Offer Documents in the following manner: Consolidated amounts due to such MSME creditors; and Aggregate number of such MSME creditors. As of the date of the latest restated financial statements included in the Offer Document.*
- (iii) Complete details about outstanding overdues to the material creditors along with the name and amount involved for each such material creditor disclosed on the website of our Company - <https://avanaelectrosystems.com/>*

#### **I. LITIGATIONS INVOLVING OUR COMPANY:**

##### **A. Litigations against our Company**

- 1. Criminal Proceedings – NIL**
- 2. Outstanding actions by regulatory and statutory authorities – NIL**
- 3. Material Civil Proceedings – NIL**

##### **B. Litigations filed by our Company**

- 1. Criminal proceedings – NIL**
- 2. Outstanding actions by against regulatory and statutory authorities –**
  - i. Goods and Service Tax (GST) Proceedings:**

Avana Electrosystems Limited is currently contesting an order dated 25.01.2025 of the Superintendent of Central Tax, Range ANWD1, issued under Section 74(1) of the CGST Act, 2017. The order pertains to FY 2017–18, 2018–19, and 2019–20, demanding tax of ₹14,66,639 (IGST ₹6,70,731/-, CGST ₹3,97,954/-, SGST ₹3,97,954/-), with penalty of a

similar amount and interest under section 50(3) of CGST Act / SGST, 2017 r/w section 20 of IGST Act, 2017 on ineligible input tax credit. The Order has been passed without considering the extension of time filed dated 02.01.2025.

The Company has challenged the order before the Commissioner of Central Tax (Appeals-II), Bengaluru on grounds of procedural lapses and non-consideration of submitted objections and documents.

The appeal is currently pending hearing and disposal.

### **3. Material civil proceedings – NIL**

## **II. LITIGATIONS INVOLVING OUR PROMOTERS:**

### **A. Litigations against our Promoters**

1. Criminal proceedings – NIL
2. Outstanding actions by regulatory and statutory authorities – NIL
3. Material civil proceedings –

### **B. Litigations by our Promoters**

1. Criminal proceedings – NIL
2. Outstanding actions by against regulatory and statutory authorities – NIL
3. Material civil proceedings – NIL

## **III. LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS):**

### **A. Litigations against our Directors**

1. Criminal proceedings – NIL
2. Outstanding actions by regulatory and statutory authorities –

**Income Tax Department** - Ms. Shital Darak Mandhana, Independent Director bearing DIN: 07043909 has received Notice under section 139(9) of the Income Tax Act, 1961, for the Assessment Year 2014-15 and the proceedings thereunder are pending.

3. Material civil proceedings – NIL

### **B. Litigations by our Directors (Other than Promoters)**

1. Criminal proceedings – NIL
2. Outstanding actions by against regulatory and statutory authorities – NIL
3. Material civil proceedings – NIL

## **IV. LITIGATION INVOLVING OUR GROUP COMPANIES**

### **A. Litigations against Our Group Companies**

1. Criminal proceedings – NIL
2. Outstanding actions by regulatory and statutory authorities – NIL
3. Material civil proceedings – NIL

### **B. Litigations by Our Group Companies**

1. Criminal proceedings – NIL

2. Outstanding actions by against regulatory and statutory authorities - NIL

3. Material civil proceedings – NIL

V. OTHER MATERIAL OUTSTANDING LITIGATION INVOLVING OUR COMPANY – NIL

VI. LITIGATION INVOLVING SUBSIDIARY COMPANY / HOLDING COMPANY / KMPS' / SMPS' - NIL

VII. PENALTIES LEVIED UPON OUR COMPANY / PROMOTER / PROMOTER GROUP COMPANIES IN THE PAST FIVE YEARS - NIL

VIII. LITIGATIONS OR LEGAL ACTIONS, PENDING OR TAKEN, BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST OUR PROMOTERS DURING THE LAST 5 (FIVE) YEARS - NIL

IX. PENDING PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES - NIL

X. INQUIRIES, INVESTIGATIONS ETC. INSTITUTED UNDER THE COMPANIES ACT, 2013 OR ANY PREVIOUS COMPANIES ENACTMENT IN THE LAST 5 (FIVE) YEARS AGAINST OUR COMPANY - NIL

XI. MATERIAL FRAUD AGAINST OUR COMPANY SINCE INCORPORATION - NIL

XII. FINES IMPOSED OR COMPOUNDING OF OFFENCES FOR DEFAULT - NIL

XIII. NON-PAYMENT OF STATUTORY DUES - NIL

XIV. MATERIAL DEVELOPMENTS

In the opinion of the Board, other than as disclosed in the Notes to our Financial Statements, in the section “*Restated Financial Statements*” on page no. 209 and in the section “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 250 of this Draft Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities over the next 12 months.

XV. AMOUNTS DUE TO SMALL SCALE UNDERTAKINGS

In accordance with our Company’s materiality policy the dues owned by the Company to the small-scale undertakings and other creditors exceeding 05% of the Company’s trade payables for the last audited financial statements shall be considered as material dues for the Company. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as on 31.03.2025 of our Company, are set out below:

Sr. No.	Particulars	No. of Creditors	Amount Involved as on 31.03.2025 (₹ Lakhs)
1	Micro, Small & Medium Enterprises	93	266.62
2	Other Creditors	48	660.55
3	Material Creditors	1	489.63

XVI. Adverse Event

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing Draft Red Herring Prospectus with the Exchange.

## GOVERNMENT AND STATUTORY OTHER APPROVALS

Our business requires various approvals issued by relevant central and state authorities under various rules and regulations, each as amended.

Set out below is an indicative list of all necessary consents, approvals, licenses, registrations and permits obtained by our Company, from various governmental, statutory and regulatory authorities/ certification bodies, as applicable, which are considered material and necessary for the purpose of undertaking our business activities (“**Material Approvals**”) and we have obtained all Material Approvals and no further Material Approvals are required to undertake our current business activities.

Unless stated otherwise, these Material Approvals are valid as on the date of this Draft Red Herring Prospectus.

Some of the Material Approvals may have lapsed or expired or may lapse or expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications, in accordance with applicable requirements and procedures.

Except as mentioned below, no further Material Approvals are required by us to undertake the Offer or to carry on our business and operations. For further details of risk associated with expiry, not obtaining, or delay in obtaining the requisite approvals or renewal of expired approvals, see “*Risk Factors*” – Failure to obtain and maintain all required licenses, approvals, registrations, consents and permits could materially and adversely affect our business, financial condition, results of operations and cash flows on page 37. Further, for details in connection with the regulatory and legal framework within which we operate, see “*Key Industry Regulations and Policies*” on page 167.

### A. Approvals in relation to the Offer

For details in relation to the approvals and authorizations in relation to the Offer, see “*The Offer*” and “*Other Regulatory and Statutory Disclosures*” on page 58 and 275 respectively.

### B. Corporate Approvals

- Our Board, pursuant to its resolution dated August 29, 2025 authorized the Offer subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- The shareholders of our Company have, pursuant to the applicable provisions of the Companies Act, 2013 by a special resolution passed at the Extra Ordinary General Meeting of our Company held on September 3, 2025 authorized the Offer;
- Our Board approved this Draft Red Herring Prospectus pursuant to its resolution dated September 24, 2025.

### C. Approval from the Stock Exchange

In-principle approval dated [●] from the NSE Emerge for using the name of the Exchange in the issue documents for listing of the Equity Shares issued by our Company pursuant to the issue.

### D. Agreements with NSDL and CDSL

- a. The Company has entered into an agreement dated March 17, 2025 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent – who in this case is Integrated Registry Management Services Private Limited for the dematerialization of its shares.
- b. The Company has entered into an agreement dated March 25, 2025 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent - who in this case is Integrated Registry Management Services Private Limited for the dematerialization of its shares.
- c. The International Securities Identification Number (ISIN) of our Company: INE1KU201016

### E. Lender’s No Objection Certificate (NOC)

We have obtained No objection Certificates (NOC) from the sole lender of the Company, HDFC Bank Limited dated August 23, 2025.

### F. Incorporation details of our Company

Avana Electrosystems Limited was originally incorporated as Avana Electrosystems Private Limited under the provisions of the Companies Act, 1956. The Registrar of Companies, Karnataka, issued the Certificate of Incorporation on July 16,



2010, bearing CIN - U31400KA2010PTC054508. On December 17, 2024, the company transitioned from a Private Limited Company to a Public Limited Company, adopting the name Avana Electrosystems Limited. The Registrar of Companies, Central Processing Centre, issued a fresh Certificate of Incorporation, with the updated CIN - U31400KA2010PLC054508.

## I. Tax Related Approvals

Sr. No.	Nature of Registration / License	Registration / License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	Permanent Account Number (PAN)	AAICA6451A	Income Tax Act, 1961	Income Tax Department of India	16.07.2010	Valid Until cancelled
2	Tax Deduction and Collection Account Number (TAN)	BLRA14182A	Income Tax Act, 1961	Income Tax Department of India	30.12.2024	Valid Until cancelled
3	GST Registration Certificate	29AAICA6451A1ZV	Central Goods and Services Tax Act, 2017	Central Board of Indirect Tax	09.01.2025	Valid Until cancelled
4	Profession Tax Registration Certificate (P.T.R.C.) of Karnataka	366180812	Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Commercial Taxes Department, Government of Karnataka	20.05.2011	Valid Until cancelled
5	Value Added Tax (V.A.T.) Certificate (Under Name Avana Electrosystems Private Limited)	TIN - 29650572197	Central Sales Tax Act, 1956	Asst. Commissioner of Commercial Taxes, Bangalore	16.07.2010	Valid Until Cancelled
6	Registration Certificate under Central Excise Department (Under Name Avana Electrosystems Private Limited)	Service Tax Code - AAICA6451ASD001	Finance Act, 1994 read with Service Tax Rules, 1994	Service Tax Commissioner, Bangalore	28.08.2010	Valid Until Cancelled

## II. Registration under Labour Laws

Sr. No.	Nature of Registration / License	Registration / License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	Registration under Employee Provident Fund and Miscellaneous Provisions Act, 1952	PYPNY0031769000	Employee Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	30.03.2015	Valid Until Cancelled
2	Registration under Employees' State Insurance Act, 1948	KAR.INSNP.4900-030683-0000999	Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	27.10.2010	Valid Until Cancelled
3	Registration under Factories Act, 1948 (For Unit 01 at No. 1, 3 <sup>rd</sup> Floor, 4 <sup>th</sup>	MYB-20368	Factories Act, 1948	Department of Factories, Boilers, Industrial	14.03.2025	31.12.2027

	Cross, 1 <sup>st</sup> Stage, Peenya Industrial Estate, Bangalore (Urban) – 01, 560058)			Safety & Health, Government of Karnataka		
4	Registration under Factories Act, 1948 (For Unit 02 at No. 8, Plot No. 35, 1 <sup>st</sup> Main, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Bangalore (Urban) – 01, 560058)	MYB-21729	Factories Act, 1948	Department of Factories, Boilers, Industrial Safety & Health, Government of Karnataka	29.04.2025	31.12.2025
5	Labour Identification Number (LIN) Certification (Under Name Avana Electrosystems Private Limited)	1-3808-2233-4	Labour Laws of India	Ministry of Labour & Employment, Government of India	Verified by Shram Suvidha Portal	Valid Until Cancelled

### III. Business related Approvals


Sr. No.	Nature of Registration / License	Registration / License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	LEI Certificate	335800GSBKB7WSV7GL81	Payment and Settlement Systems Act, 2007, with the Reserve Bank of India (RBI)	Legal Entity Identifier India Ltd	24.08.2023	24.08.2027
2	UDYAM Registration	UDYAM-KR-03-0047263	Ministry of Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprises	04.02.2021	Valid Until Cancelled
3	Import Export Code (IEC)	0710020422	Foreign Trade (Development & Regulation) Act, 1992	Directorate General of Foreign Trade (DGFT) & Ministry of Commerce and Industry, Government of India	08.11.2010	Valid Until Cancelled
4	Registration under Karnataka State Pollution Control Board (For Unit 01 at No. 1, 3 <sup>rd</sup> Floor, 4 <sup>th</sup> Cross, 1 <sup>st</sup> Stage, Peenya	KSPCB/RO-Peenya/F No.1820/2024-25/879	Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Regional Officer, Peenya, Karnataka State Pollution Control Board	26.03.2025	31.12.2027

	Industrial Estate, Bangalore (Urban) – 01, 560058)					
5	Registration under Karnataka State Pollution Control Board (For Unit 02 at No. 8, Plot No. 35, 1 <sup>st</sup> Main, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Bangalore (Urban) – 01, 560058)	KSPCB/RO-Peenya/F No.1809/2024-25/891 and KSPCB/RO-Peenya/F No. 1820/2024-2025/879	Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Regional Officer, Peenya, Karnataka State Pollution Control Board	27.03.2025	31.12.2027
6	Corrigendum for Change of Name on Certificate of Registration under Karnataka State Pollution Control Board (Unit No. 01 & 02)	KSPCB/RO-NEL/EO/Avana/2024-25/1336	Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Regional Officer, Peenya, Karnataka State Pollution Control Board	17.03.2025	31.12.2025

#### IV. Quality Certificates

Sr. No.	Particulars of Certificate	Certificate ID	Date of Original Certification	Date of Revision	Date of Validity
1.	ISO 9001: 2015	QM00524000000120 Rev.01	30.08.2018	04.02.2025	30.08.2024 to 29.08.2027

#### V. Intellectual Property Rights


Sr. No.	Class	Brand Name / Logo / Trademark	Registration No. / Application No.	Applicant	Date of Registration / Application	Date of Expiry
1.	9		2165737	Avana Electrosystems Private Limited	27.06.2011	27.06.2031

#### VI. Domain Details

Sr. No.	Domain Name	Name of Registrar/IANA ID	Creation Date	Expiry Date
1.	avanaelectrosystems.com	eNOM, LLC / IANA ID: 48	04.06.2010	04.06.2026

## **G. Material Approvals pending in respect of our Company**

### **Material Approvals or Renewals applied for but not received:**

- The Company has applied for the Trademark change of name from “Avana ElectroSystems Private Limited” to “Avana ElectroSystems Limited” for logo  held as trademark under Class 9 vide application no.12055358.
- The Labour Identification Number (LIN) is in the name of Avana ElectroSystems Private Limited and will be updated to the current company name in due course. The said registration remains valid for compliance purposes.

### **Material Approvals expired and not applied for renewal: NIL**

### **Material Approvals required but not applied for or obtained:**

- The VAT and Service Tax registrations are no longer in operation pursuant to the implementation of GST. Consequently, the change of name from “Avana ElectroSystems Private Limited” to “Avana ElectroSystems Limited” has not been applied for under the erstwhile registrations.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

The Offer has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated August 29, 2025 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Offer, by passing a Special Resolution at the Extra-Ordinary General Meeting held on September 3, 2025 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

It is confirmed that all the Promoter Selling Shareholders have held the offered shares for more than 1 year as on date of the Draft Red Herring Prospectus.

This Draft Red Herring Prospectus has been approved by our Board for filing with the NSE EMERGE pursuant to the resolution passed at its meeting held on September 24, 2025.

For further details, see “*The Offer*” on page 58 of this Draft Red Herring Prospectus.

### OFFER FOR SALE

Each of the Promoter Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Selling Shareholder	Type	Consent letter dated	Equity Shares of face value of ₹ 10 each held as of date of the DRHP	Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale
Anantharamaiah Panish	Promoter	September 15, 2025	44,41,580	2,50,000
Gururaj Dambal	Promoter	September 15, 2025	44,41,580	2,50,000
S Vinod Kumar	Promoter	September 15, 2025	41,44,580	2,50,000
K N Sreenath	Promoter	September 15, 2025	44,41,580	2,50,000

Each of the Promoter Selling Shareholders, severally and not jointly, confirmed that they are in compliance with applicable provisions of the SEBI (ICDR) Regulations, 2018 and they have held their respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

### IN-PRINCIPLE LISTING APPROVAL

Our Company has obtained In-principle approvals from the NSE EMERGE vide their letter dated [●] to use the name of NSE Limited in the Draft Red Herring Prospectus for listing of our Equity Shares on NSE EMERGE. NSE EMERGE is the Designated Stock Exchange for the purpose of this Offer.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company is eligible in terms of Regulations 228 of SEBI (ICDR) Regulations and SEBI ICDR (Amendment) Regulations, 2025. our Company satisfies the following eligibility conditions on which the specified securities are proposed to be listed:

- Our Company, Promoter, Directors, members of our Promoter Group, Promoter Selling Shareholders the persons in control of our Promoters or our Company, as applicable, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Directors and Promoters are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI.
- Our Company, Promoters, Promoter Group and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI. There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “*Outstanding Litigations and Other Material Developments*” on page 267 of this Draft Red Herring Prospectus.

- d) Our Promoters or Directors have not been declared as Fugitive Economic Offenders under section 12 of the Fugitive Economic Offenders Act, 2018.
- e) There are no outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India. All the Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Since all our Promoters and members of our Promoter Group are individuals, the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), is not applicable as on the date of this Draft Red Herring Prospectus.

#### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET**

None of our Directors are in any manner associated with the securities market. Further there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus except as stated under the chapters titled “*Risk Factors*”, “*Our Promoters and Promoter Group*” and “*Outstanding Litigations and Other Material Developments*” beginning on pages 31, 201 and 267 respectively, of this Draft Red Herring Prospectus.

#### **ELIGIBILITY FOR THE OFFER**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post-Offer face value capital exceeds ten crore rupees, but is less than twenty-five crores shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE EMERGE).

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies the eligibility conditions of NSE EMERGE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations.

#### **OTHER DISCLOSURES:**

1. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
2. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
3. There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).
4. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application with NSE for listing on the NSE EMERGE.
5. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
6. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

1. The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE EMERGE. NSE is the Designated Stock Exchange.
2. Our Company has entered into an agreement dated March 17, 2025 with NSDL and agreement dated March 25, 2025 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued. The Company's shares bear an ISIN: INE1KU201016
3. The entire pre-offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
4. The entire Equity Shares held by the Promoters as on date of DRHP is in dematerialised form.
5. Since the entire fund requirement are to be funded from the proceeds of the Offer, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Offer.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

1. Neither our Company nor our Promoters, members of our Promoter Group or our Directors is debarred from accessing the capital markets by the SEBI.
2. None of our Promoters or Directors is Promoters or Director of any other companies which are debarred from accessing the capital markets by the SEBI.
3. Neither our Company nor our Promoters or Directors is a wilful defaulter or a fraudulent borrower.
4. None of our Promoters or Directors is a fugitive economic offender under Economic Offenders Act, 2018.
5. There are no outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the Company.

We further confirm that:

1. In accordance with Regulation 246 the SEBI ICDR Regulations, the Book Running Lead Manager shall ensure that the issuer shall file copy of the Prospectus along with the Due Diligence Certificate including additional confirmation with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this offer has been one hundred percent (100%) underwritten and that the Book Running Lead Manager to the offer has underwritten at least 15% of the Total Offer Size. For further details, pertaining to said underwriting please see "*General Information*" beginning on page 64 of this Draft Red Herring Prospectus.
3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four (4) days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of fourth day, be liable to unblock such application money with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.
4. In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated [●] with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on [●], 2025. For further details of the arrangement of market making please refer to the paragraph titled Details of the Market Making Arrangements for this Offer' under the chapter titled '*General Information*' on page 64 of this Red Herring Prospectus.
5. We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
6. Our Company is an 'unlisted issuer' in terms of the SEBI (ICDR) Regulations; and this Offer is an 'Initial Public Offer' in terms of the SEBI (ICDR) Regulations

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE EMERGE:

- 1) **Incorporation:** Our Company was originally incorporated as a private limited company under Companies Act 1956, in the name and style of 'Avana Electrosystems Private Limited' under the Companies Act, 1956, pursuant to a Certificate of Incorporation dated July 16, 2010 issued by the Registrar of Companies, Bengaluru, Karnataka (RoC). Pursuant to a special resolution passed by our shareholders in the Extra Ordinary General Meeting held on December 09, 2024, our Company has been converted into a public limited company and the name of our Company was changed to 'Avana Electrosystems Limited' and a fresh Certificate of Incorporation dated December 17, 2024 has been issued to our Company by the Central Processing Centre.
- 2) **Post Issue Capital:** The post issue paid up capital of the company will be upto [●] shares of face value of ₹ 10/- aggregating up to ₹ [●] Crores which is less than ₹ 25 Crores.
- 3) **Track Record:** The Company incorporated on July 16, 2010 and has a track record of at least 3 years as on the date of filing of this Draft Red Herring Prospectus.
- 4) **Net Tangible Assets:** As on March 31, 2025 the Company has net tangible assets of ₹ 317.26 lakhs.
- 5) **Operating Profit:** The Company confirms that it has an operating profit (earnings before Interest, depreciation and tax) of from operations for 2 out of 3 previous financial years at the time of filing of DRHP.
- 6) The financial details of our Company is as follows:

(₹ in lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Share Capital	79.41	79.41	79.41
Net Worth	2,164.15	1,348.78	946.36
Revenue from Operations	6,148.58	5,298.77	2,840.65
EBITDA	1,147.57	722.89	191.78
Restated Net Profit / (Loss) after tax	831.23	419.88	92.29
Net Tangible Assets	317.26	369.66	198.00

- 7) **Net Worth:** Our Company's net worth based on the Restated Financial Statements included in this Draft Red Herring Prospectus for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 is set forth below:

(₹ in lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Share Capital	79.41	79.41	79.41
Networth	2,164.15	1,348.78	946.36

- 8) **Operating Profit (earnings before interest, depreciation and tax) from operations for at least any 2 (two) out of 3 (three) financial years:** Our Company is having operating profit, details are mentioned as below:

(₹ in lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Profit Before Tax	1,125.50	603.50	117.20
Add: Depreciation and Amortisation Expense	75.63	35.00	12.16
Add: Finance Costs	91.25	111.19	80.29
Less: Other Income	144.81	26.80	17.86
Operating Profit (earnings before interest, depreciation, and tax) from operations	1,147.57	722.89	191.78

- 9) The Company confirms that it has a positive free cash flow to Equity (FCFE) for atleast 2 out of 3 immediately preceding financial years:

(₹ in lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Cash Flow from Operations	676.66	94.77	(15.63)
Less: Purchase of Fixed Assets	23.47	213.02	13.76
<b>Total (A)</b>	<b>653.19</b>	<b>(118.25)</b>	<b>(29.39)</b>
Add: Net Total Borrowings (net of repayment)			
Net Proceeds from Long term Borrowings	(165.39)	54.46	232.08
Net Proceeds from Shrot Term Borrowings	(193.39)	139.65	79.66
<b>Total (B)</b>	<b>294.41</b>	<b>75.86</b>	<b>282.35</b>



Less: Interest paid (1-t)	67.44	62.74	68.46
<b>Free Cash Flow to Equity</b>	<b>226.97</b>	<b>13.12</b>	<b>213.89</b>

- 8) We are not proposing any repayment of loans to Promoters, Promoter Group or to any other related party, from the offer proceeds, whether directly or indirectly.
- 9) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of Promoter, Group Companies, companies promoted by the promoter of the Company;
- 10) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- 11) Our company has ensured that the Merchant Banker involved in the IPO have instances of any of their draft offer documents filed with the NSE for an IPO being returned in the past 6 months from the date of application.
- 12) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 13) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
- 14) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- 15) None of our Promoters/Directors (other than Independent Directors) are/were Promoters/Directors of any company which was compulsorily delisted by any stock exchange nor were their trading suspended on account of non-compliance.
- 16) None of our Directors were ever disqualified/ debarred by any of the regulatory authorities.
- 17) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years
- 18) We confirm that:
  - i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters, members of the promoter group, group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
  - ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters, group companies, companies promoted by the promoters during the past three years.
  - iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled “*Outstanding Litigation and Material Developments*” on page 267 of this Draft Red Herring Prospectus.
  - iv. There are no criminal cases/investigation/offences filed against the director of the company except as stated in the section titled “*Outstanding Litigation and Material Developments*” on page 267 of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS/PROSPECTUS. THE BOOK RUNNING LEAD MERCHANT BANKER (INDCAP ADVISORS PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER (INDCAP ADVISORS PRIVATE LIMITED) HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

Note: All legal requirements pertaining to the Offer will be complied with at the time of filing of Draft Red Herring Prospectus with the RoC, Karnataka in terms of section 26 and 30 of the Companies Act, 2013.

## **DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS, PROMOTER SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Director, Promoter Selling Shareholders and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus 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.avanaelectrosystems.com](http://www.avanaelectrosystems.com), or the website of any affiliate of our Company, would be doing so at his or her own risk. It is clarified that neither the Promoter Selling Shareholder, nor their affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Promoter Selling Shareholder in relation to itself and/or the Equity Shares offered by him through the Offer for Sale.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered between BRLM, our Company and Promoter Selling Shareholders on September 19, 2025 and the Underwriting Agreement dated [●] to be entered into between the Underwriters, Promoter Selling Shareholders and our Company and Market Maker Agreement dated [●] entered into among Market Maker, BRLM and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Book Running Lead Manager shall make all information available 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 or at collection centres etc.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Indcap Advisors Private Limited is not an associate of the Company and is eligible to be appointed as the Book Running Lead Manager in this Offer, under SEBI MB Regulations.

Investors who apply in this Offer will be required to confirm and will be deemed to have represented to our Company, Promoter Selling Shareholders and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, Promoter Selling Shareholders and the Book Running 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 Equity Shares.

Neither our Company nor Book Running Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

## **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction other than India to any person to

whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose except that this Draft Red Herring Prospectus has been filed with the NSE EMERGE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the NSE EMERGE. NSE has given vide its letter Ref.: [●] dated [●], permission to the Issuer to use the Exchange's name in this Offer Document as the Stock Exchange on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Eligibility and Transfer Restrictions**

The Equity Shares issued in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Applicants are advised to ensure that any application from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each applicant where required must agree in the Allotment Advice that such applicant will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

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

The Draft Red Herring Prospectus is being filed with SME platform of NSE Limited, where the Equity Shares are proposed to be listed, located at Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus/Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus, and required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC Office situated at Address: E Wing, 2nd Floor, Kendriya Sadan, Santhosapuram, Kudremukh Colony Koramangala, Bengaluru – 560 034, Karnataka, India.

## LISTING

Application have been made to NSE EMERGE for obtaining permission for listing of the Equity Shares being offered and sold in the offer on its NSE EMERGE after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our Company has obtained In-principle approval from NSE vide letter dated [●] to use name of NSE in the Prospectus for listing of equity shares on NSE EMERGE. If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If any such money is not unblocked within 4 (four) days after the issuer becomes liable to unblock it then our Company and every director of the company who is an officer in default shall, on and from the expiry of the 4(fourth) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) as prescribed under Section 40 of the Companies Act, 2013. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Offer Closing Date.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company has constituted a Stakeholders' Relationship to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please refer to the chapter titled "*Our Management*" on page 188 of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be Ten (10) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on August 29, 2025. For further details, please refer to the chapter titled "*Our Management*" on 188 of this Draft Red Herring Prospectus.

The members of the Stakeholders' Relationship Committee are:

Name of the Members	Designation in Company	Designation in Committee
Shital D Mandhana	Independent Director	Chairman
Sheela Arvind	Independent Director	Member
Anantharamaiah Panish	Managing Director	Member

The Company Secretary of our Company shall serve as the secretary of the Stakeholders' Relationship Committee. Our Company has appointed, Amrutha Naveen as the Company Secretary & Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

**Name:** Amrutha Naveen

**Address:** Site No: 8, Plot No. 35, 1<sup>st</sup> Main Road, 2<sup>nd</sup> Phase

Peenya Industrial Area, Nelagadaranahalli Village

Bengaluru – 560 058

Karnataka, India

**Telephone:** +91 9686004816

**Email id:** [cs@avanaelectrosystems.com](mailto:cs@avanaelectrosystems.com)

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. Pursuant to the press release no. PR. No. 85/2011 dated June 08, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Pursuant to the press release no. PR. No. 85/2011 dated June 08, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Company has obtained SCORES authentication in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES. As on the date of this Draft Red Herring Prospectus there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

The Promoter Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

The Promoter Selling Shareholders has authorised the Company to take all actions in respect of the Offer for Sale in accordance with the applicable provisions of the Companies Act, 2013.

## **IMPERSONATION**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name.

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years). Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

## **CONSENTS**

Consents in writing of: (a) Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Senior Management Personnel (SMP), Statutory and Peer Review Auditor, Banker to the Company and (b) Book Running Lead Manager, Registrar to the Offer, the Syndicate Members\*, Bankers to the Offer/Escrow Bank\*, Public Offer Account Bank(s)\*, Sponsor Bank(s)\* and Refund Bank(s)\*, Underwriter\*, Market Maker\*, Banker to the Offer\*, and Legal Advisor to the Offer, to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus and Draft Red Herring Prospectus for filing with the RoC.

*\* The aforesaid will be appointed prior to filing the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

## **EXPERT OPINION**

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

Our Company has received written consent from the Vasant & Co., our Peer Reviewed Auditor, who holds a valid peer review certificate, to include its name as required under Section 26(5) of the Companies Act, 2013 in the Draft Red Herring Prospectus/Prospectus and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the examination report dated September 19, 2025 of the Peer Reviewed Auditor on the Restated Financial Information of our Company for the financial years dated September 19, 2025 period ended March 31, 2025, March 31, 2024 and March 31, 2023 included in the Draft Red Herring Prospectus/Prospectus and such consents have not been withdrawn as on the date of the Draft Red Herring Prospectus/Prospectus.

Our Company has received written consent dated September 13, 2025 from the Chartered Engineer namely, M/s. Souparnika Associates to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their (1) Certificate dated September 13, 2025.

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **FEE, COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

### **1. Fees payable to the BRLM to the Offer:**

The total fees payable to the Book Running Lead Manager will be as per the Offer Agreement dated September 19, 2025 with the Book Running Lead Manager and promoter selling shareholders.

### **2. Fees Payable to the Registrar to the Offer:**

The fees payable to the Registrar to the Offer, for processing of Bidding application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Offer.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post or email.

### **3. Fees Payable to Others:**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker, Underwriter and Advertiser, etc. will be as per the terms of their respective agreements or engagement letters as the case may be.

## **CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY**

Except as disclosed in the section titled “*Capital Structure*” on page 75, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. Further, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

## **PERFORMANCE VIS-À-VIS OBJECTS**

Our Company has not undertaken any public issues, including any rights issues to the public in the 5 years immediately preceding the date of this Draft Red Herring Prospectus.

## **PERFORMANCE VIS- À-VIS OBJECTS: LAST ISSUE OF SUBSIDIARIES/PROMOTERS AND GROUP COMPANIES**

Our Company does not have any subsidiaries or listed promoters and none of our Group Companies have made any public issues, including rights issues to the public in the 5 years immediately preceding the date of this Draft Red Herring Prospectus.

**THE PRICE INFORMATION OF PAST ISSUES HANDLED BY INDCAP ADVISORS PRIVATE LIMITED IS AS FOLLOWS:**



**ANNEXURE-A**

**TABLE 1**      **DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY INDCAP ADVISORS PRIVATE LIMITED**  
**(during the current fiscal and two fiscals preceding the current financial year)**

S. No.	Financial Year	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+% change in closing price, [+/- % change in closing benchmark] 30th calendar days from listing	+% change in closing price, [+/- % change in closing benchmark] 90th calendar days from Listing	+% change in closing price, [+/- % change in closing benchmark] 180th calendar days from listing
<b>SME Board</b>									
1.	2025-2026	Icodex Publishing solutions Limited	42.03	102	August 19, 2025	81.60	50.95	NA	NA
<b>Main Board.</b>									
NIL									

**TABLE 2:**      **SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total Amount of Funds raised. (₹ Cr.)	No. of IPOs trading at discount-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount-180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
SME Board -														
2025-2026	1	42.03	-	1	-	-	-	-	-	-	-	-	-	-
Main Board - Nil														

## WEBSITE FOR TRACK RECORD OF THE BOOK RUNNING LEAD MANAGER

For details regarding the track record of the Book Running Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager, Indcap Advisors Private Limited at [www.indcap.in](http://www.indcap.in).

## STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least Three (3) years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-offer or post-offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Applications made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Scenario	Compensation amount	Compensation Period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Application Amount, whichever is higher.	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock.
Blocking of multiple amounts for the same Application made through the UPI Mechanism.	a. Instantly revoke the blocked funds other than the original application amount; and b. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Application Amount, whichever is higher.	From the date on which multiple amounts were blocked till the date of actual unblock
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Application Amount, whichever is higher.	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock.
Blocking of multiple amounts for the	a. Instantly revoke the blocked funds	From the date on which multiple

Scenario	Compensation amount	Compensation Period
same Application made through the UPI Mechanism.	other than the original application amount; and b. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Application Amount, whichever is higher.	amounts were blocked till the date of actual unblock
Blocking more amount than the Application Amount.	a. Instantly revoke the difference amount, i.e., the blocked amount less the Application Amount; and b. ₹100 per day or 15% per annum of the difference amount, whichever is higher.	From the date on which the funds to the excess of the Application Amount were blocked till the date of actual unblock.
Delayed unblock for non – Allotted / partially Allotted applications.	₹100 per day or 15% per annum of the Application Amount, whichever is higher.	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

All grievances relating to Applications submitted with the Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Applicants shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Our Company has not received any investor complaint during the 3 years preceding the date of this Draft Red Herring Prospectus. There are no investor complaints in relation to our Company pending as on the date of this Draft Red Herring Prospectus. Our Group Company is not listed on any stock exchange.

Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of any SCSB, Registered broker, Syndicate member, RTA or CDP including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Outstanding Debentures, Bonds or Redeemable Preference Shares**

Except as disclosed in the chapter titled “*Capital Structure*” on page 75 of this Draft Red Herring Prospectus, our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

#### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement. For details of the offer expenses, please refer to the chapter titled “*Objects of the Offer*” on page 90 of this Draft Red Herring Prospectus.

#### **Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs**

For details of the commission payable to SCBS, Registered Brokers, CRTAs and CDPs, please refer to the chapter titled “*Objects of the Offer*” on page 90 of this Draft Red Herring Prospectus.

#### **Disposal of investor grievances by listed Group Company**

As on the date of this Draft Red Herring Prospectus, we do not have any listed Group Company.

#### **Capitalisation of Reserves or Profits**

Our Company has not capitalized its reserves or profits at any time during the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus.

#### **Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

**Other confirmations**

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION VIII – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being Offered are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.

*Please note that, in terms of Regulation 256 of the SEBI (ICDR) Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public offer of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by Individual Investors through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and Individual Investors submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. However, due to the outbreak of COVID19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public offer closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (“UPI Phase III”). Accordingly, the offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

Further vide the said circular Registrar to the Offer and Depository Participants have been also authorized to collect the Bid-cum-Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.

#### Authority for the Offer

The Offer of upto 60,90,000 Equity Shares includes a Fresh Issue of up to 50,90,000 Equity Shares and an offer for sale by the Promoter Selling Shareholder of up to 10,00,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on August 29, 2025 and further has been approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on September 03, 2025 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### Offer for Sale:

Each of the Promoter Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of Promoter the Selling Shareholder	Type	Date of Authorization Letter	Equity Shares of face value of ₹ 10	Equity Shares of face value of ₹ 10
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				each held as of date of the DRHP	each offered by way of Offer for Sale
Anantharamaiah Panish	Promoter Shareholder	Selling	September 15, 2025	44,41,580	Upto 2,50,000
Gururaj Dambal	Promoter Shareholder	Selling	September 15, 2025	44,41,580	Upto 2,50,000
S. Vinod Kumar	Promoter Shareholder	Selling	September 15, 2025	41,44,580	Upto 2,50,000
K. N. Sreenath	Promoter Shareholder	Selling	September 15, 2025	44,41,580	Upto 2,50,000

## The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Promoters Selling Shareholders. For details in relation to the sharing of Offer expenses between our Company and the Selling Shareholders, please see section titled “*Objects of the Offer*” on page 90 of this Draft Red Herring Prospectus.

## Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Offer, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “*Main Provisions of Article of Association*”, on page 341 of this Draft Red Herring Prospectus.

## Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act 2013, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “*Dividend Policy*” and “*Main Provisions of Article of Association*” on page 208 and 341 respectively of this Draft Red Herring Prospectus.

## Face Value and Offer Price, Floor Price, and Price Band

The face value of each Equity Share is ₹10.00 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹[●] per Equity Share (“**Cap Price**”). The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] Bengalaru Edition of [●] Kannada language newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled “*Main Provisions of the Articles of Association*” on page 341 of this Draft Red Herring Prospectus.

## **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Offer.

Tripartite Agreement dated March 17, 2025 between NSDL, our Company and Registrar to the Offer; and  
Tripartite Agreement dated March 25, 2025 between CDSL, our Company and Registrar to the Offer;

The Company’s shares bear an ISIN: INE1KU201016.

Furnishing the details depository account is mandatory and applications without a depository account shall be treated as incomplete and rejected.

## **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE EMERGE (NSESME) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with applicable provisions of SEBI ICDR Regulations, the minimum application size in terms of number of specified securities shall be at least two lots and above the value of ₹ 2.00 lakhs per Bid.

## **Minimum Number of Allottees**

In accordance with Regulation 268(1) of SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, the minimum number of allottees in this Offer shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Offer and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Offer.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities in Bengaluru, Karnataka, India.

**The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance**

with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us.

Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### Offer Program

Event	Indicative Date
Bid/Offer Opening Date	[●] <sup>(1)</sup>
Bid/Offer Closing Date	[●] <sup>(2)(3)</sup>
Finalisation of Basis of Allotment with Designated Stock Exchange (T+1)	On or before [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account* (T+2)	On or before [●]
Credit of Equity Shares to Demat Accounts of Allottees (T+2)	On or before [●]
Commencement of Trading of The Equity Shares on the Stock Exchange (T+3)	On or before [●]

**Note:** <sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

<sup>(2)</sup> Our Company in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.



<sup>(3)</sup> UPI mandate end time and date shall be at 5:00 p.m. IST on Bid/Offer Closing Date.

The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date i.e., [●], in accordance with the SEBI ICDR Regulations.

1. In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the Offer shall be open after at least three working days from the date of filing the Red Herring Prospectus with the Registrar of Companies.
2. In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, except as otherwise provided in these regulations, the public Offer shall be kept open for at least three working days and not more than ten working days.
3. In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, in case of a revision in the price band, the issuer shall extend the bidding (offer) period disclosed in the Draft Red Herring Prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our Company.
4. In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our company may, for reasons to be recorded in writing, extend the Offer period disclosed in the Draft Red Herring Prospectus, for a minimum period of one working day, subject to the provisions of sub-regulation 266(1).

**\*\* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter bank (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024.**

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post offer timeline for initial public offerings and has through its circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time period for listing of shares in public offer from existing 6 days to 3 days. The revised timeline of T+3 days shall be made applicable in two phases i.e., voluntary for all public issues opening on or after September 1, 2023, and mandatory on or after December 1, 2023. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the

prevailing date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The Promoter Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with listing timelines and activities prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Upward Revision in Bids	Only between 10.00 a.m. and 4:00 p.m. IST
<b>Bid/ Offer Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in 1 accounts) – For IIBs other than QIBs and NIIs	Only between 10.00 a.m. and 4:00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4:00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and 3:00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and 1:00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and 12:00 p.m. IST
<b>Modification/ Revision of Bids</b>	
Upward Revision of Bids by IIBs QIBs and Non-Institutional Bidders categories <sup>#</sup>	Only between 10.00 a.m. and up to 4:00 p.m. IST

\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.

# Bidders can neither revise their bids downward nor cancel their bids.

Bid-Cum Application Forms and any revisions to the same will be accepted only between 10:00 A.M. to 4:00 P.M. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Individual Applicants and non-retail Applicants. The time for applying for Individual Applicants on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings. On the Bid/ Offer Closing Date, the Bids shall be uploaded until 4.00 P.M. IST.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later

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

In accordance with the SEBI ICDR Regulations, QIBs, IBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Individual Applicants can revise (upward) prior to the Offer Closing Date. Except Allocation to Individual Investors, Allocation in the Offer will be on a proportionate basis.

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

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable.

In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, as applicable, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

Subject to applicable law, the Promoter Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay is solely and directly attributable to an act or omission of such Promoter Selling Shareholder, in which case such liability shall be on a several and not joint basis.

The requirement of minimum subscription is not applicable to the Offer for Sale.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment shall first be made towards the Fresh Issue. The balance Allotment in the Offer will be in following order of priority.

- i. through the sale of Offered Shares being offered by each of the Selling Shareholders in the Offer for Sale (in proportion to the Offered Shares being offered by each Selling Shareholder) followed by;
- ii. the issuance of the balance part of the Fresh Issue.

Further, in terms of Regulation 268(1) of the SEBI ICDR Regulations, our Company and the Selling Shareholders shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 200.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025 to the extent applicable, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

As per Regulation 280(2) of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, Where the post-issue paid up capital of the Company listed on NSE EMERGE is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its equity shares listed on NSE EMERGE to the Main Board and seek listing of the equity shares proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of equity shares laid down by the Main Board:

Provided that no further issue of capital shall be made unless –

- a) the shareholders have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- b) the Company has obtained an in principle approval from the Main Board for listing of its entire specified securities on it.

Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the Company may undertake further issuance of capital without migration from SME exchange to the main board, subject to the undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s)."

If the Paid-up Capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

As per NSE Circular dated April 24, 2025 our Company may migrate its securities from SME Platform of NSE Limited to main board platform of the NSE Limited:

Parameter	Listing Criterion
Paid up capital and market capitalization	<p>Paid-up equity capital is not less than INR 10 crores and Average capitalisation shall not be less than INR 100 crores.</p> <p>For this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the post issue number of equity shares</p>
Revenue from Operation & EBIDTA	<p>The revenue from operations should be greater than INR 100 Cr in the last financial year. and Should have positive operating profit from operations for at least 2 out of 3 financial years.</p>
Listing period	Should have been listed on SME platform of the Exchange for at least 3 years
Public Shareholders	The total number of public shareholders should be at least 500 on the date of application.
Promoter & Promoter Group Holding	<p>Promoter and Promoter Group shall be holding at least 20% of the Company at the time of making application.</p> <p>Further, as on date of application for migration the holding of Promoter's should not be less than 50% of shares held by them on the date of listing</p>
Other Listing conditions	<ul style="list-style-type: none"> <li>No proceedings have been admitted under Insolvency and Bankruptcy Code against Applicant company and promoting company.</li> <li>The company has not received any winding up petition admitted by NCLT/IBC.</li> <li>The net worth of the company should be at least 75 crores.</li> <li>No Material regulatory action in the past 3 years like suspension of trading against the applicant Company and Promoter by any Exchange.</li> </ul>

	<ul style="list-style-type: none"> <li>• No debarment of Company/Promoter, subsidiary Company by SEBI.</li> <li>• No Disqualification/Debarment of director of the Company by any regulatory authority.</li> <li>• The applicant company has no pending investor complaints in SCORES.</li> <li>• Cooling period of two months from the date the security has come out of the trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li> <li>• No Default in respect of payment of interest and /or principal to the debenture/bond/fixed deposit holders by the applicant, promoter/ Subsidiary Company.</li> </ul>
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## Market Making

The shares issued through this Offer are proposed to be listed on the NSE (NSE EMERGE), wherein the Book Running Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the NSE EMERGE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled “*General Information - Details of the Market Making Arrangements for this Offer*” on page 71 of this Draft Red Herring Prospectus.

## Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE.

## As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Offer.

## Application by Eligible NRIs, FPIs, VCFs, AIFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Offer Equity Shares and Promoter minimum contribution in the Offer as detailed under section titled “*Capital Structure*” on page 75 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled “*Main Provisions of the Articles of Association*” on page 341 of this Draft Red Herring Prospectus.

## Pre-Offer and Price Band Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ Prospectus with the RoC publish a pre-Offer advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Offer after the Bid/ Offer Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM through, the Registrar of the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed. If the Offer is withdrawn after the designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Offer Closing Date or such other time period as prescribed under the Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an Offer or offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre- Offer and Price Band advertisement have appeared, and the Stock Exchanges will also be informed promptly.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(2) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post Offer paid up capital is more than Ten Crore Rupees and up to Twenty-Five Crore Rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such Offer, please see the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on page no. 291 and 308 respectively, of this Draft Red Herring Prospectus.

### Offer Structure

The Offer is being made through the Book Building Process. The Offer is of up to 60,90,000 Equity Shares of face value of ₹10 for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) (“**Offer Price**”) aggregating up to ₹[●] lakhs (**the Offer**), comprising the Fresh offer of up to 50,90,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] Lakhs by our Company and the Offer for Sale of up to 10,00,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] Lakhs by Promoter Selling Shareholders of which up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per equity share including a Share Premium of [●] per Equity Share aggregating to ₹[●] will be reserved for subscription by Market Maker to the Offer (the “**Market Maker Reservation Portion**”). The Offer less the Market Maker Reservation Portion i.e. Net Offer of [●] Equity Shares of face value of ₹10 each at a price of ₹[●] per Equity Share aggregating to ₹[●] is hereinafter referred to as the “**Net Offer**”. The Offer and the net Offer will constitute [●] % and [●] %, respectively of the post Offer paid up equity share capital of our Company.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, this Offer is being made by way of Book Building Process, in compliance with Regulation 252 of SEBI (ICDR) Regulations, 2018. The details of the Offer are set out below:

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Individual Investors / Bidders (who apply for minimum application size)
<b>Number of Equity Shares available for Allotment/ allocation**</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares for allocation or offer less allocation to QIB Bidders and Individual Investors	Not less than [●] Equity Shares
<b>Percentage of Offer Size available for Allotment/ allocation</b>	[●] % of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion (excluding the Anchor Investor Portion). Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors	Not less than 15% of the Net Offer.  Further, (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs, provided that the unsubscribed portion in either the sub-	Not less than 35% of the Net Offer

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Individual Investors / Bidders (who apply for minimum application size)
		Portion shall be available for allocation to domestic mutual funds only.	categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.	
<b>Basis of Allotment/Allocation if respective category is oversubscribed <sup>(2)</sup></b>	Firm Allotment	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) up to [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) up to [●] Equity shares shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Up to 60% of the QIB portion (of upto [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid bid received from Mutual Funds at or above the Anchor Investor allocation price.</p> <p>For details, see “Offer Procedure” beginning</p>	<p>Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” beginning on page 308 of this Draft Red Herring Prospectus.</p>	<p>Allotment to each Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Individual Portion and the remaining available Equity Shares if any, shall be allotted on proportionate basis. For details, see “Offer Procedure” beginning on page 308 of this Draft Red Herring Prospectus.</p>



Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Individual Investors / Bidders (who apply for minimum application size)
		on page 308 of this Draft Red Herring Prospectus.		
<b>Mode of Allotment</b>	Compulsorily in dematerialised form			
<b>Minimum Bid Size</b>	[●] Equity Shares of Face Value of ₹ 10 each	Such number of Equity Shares and in multiples of such [●] Equity Shares that the Bid Application exceeds ₹ 2 lakhs.	[●] number of Equity Shares and in multiples of [●] Equity Shares of face value of ₹10 each such that the Bid Application exceeds two lots	The minimum application size shall be two lots per application. Provided that the minimum application size shall be above ₹2 lakhs
<b>Maximum Bid Size</b>	[●] Equity Shares	Not exceeding the size of the Net Offer, subject to limits as applicable to the Bidder	Not exceeding the size of the Net Offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Two Lots
<b>Bid Lot</b>	[●] Equity Shares of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each thereafter			
<b>Trading Lot</b>	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations, 2018	[●] Equity Shares and in multiples thereafter	[●] Equity Shares and in multiples thereafter	[●] Equity Shares and in multiples thereafter
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(3)</sup>			
<b>Mode of Application<sup>^</sup></b>	Only through the ASBA process	Only through the ASBA process (Except for Anchor Investors)	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process via Banks or by using UPI ID for payment
<b>Who can Apply (3) (4) (5)</b>	Market Maker	Public financial institutions as defined in the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the Board, FPIs other than individuals, corporate bodies and family offices, state industrial development corporation, insurance company registered	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorized as Category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the Karta)

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Individual Investors / Bidders (who apply for minimum application size)
		with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI corpus of ₹ 250 million registered with the Pension Fund Development and Regulatory Authority, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI		

\*Assuming full subscription in the Offer.

^SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA Applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchange shall, for all categories of Investors viz. QIB, NIB and Individual Bidders and other reserved categories and also for all modes through which the applications are processed, accept the ASBA Applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

1. In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for at least 25% of the post offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
2. Our Company may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 200.00 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 200.00 lakhs but up to ₹ 2,500.00 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 lakhs per Anchor Investor, and (iii) in case of allocation above ₹ 2,500.00 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 lakhs, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 200.00 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLM.
3. Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such a number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The

*remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation to Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

- 4. In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*
- 5. Bids by FPIs with certain structures as described under “Offer Procedure – Bids by FPIs” on page 319 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.*
- 6. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*
- 7. Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public Offers shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Individual Investors, QIB, NIB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares pursuant to the Offer.

*In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least one (1) additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.*

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

#### **Withdrawal of the Offer**

The Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Offer Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Offer is also subject to obtaining the following:

1. The final listing and trading approvals of NSE Limited for listing of Equity Shares issued through this Offer on its SME Platform, which the Company shall apply for after Allotment and,
2. In case, the Company wishes to withdraw the Offer after Offer opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

3. The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre- Offer and price band advertisements have appeared, and the Stock Exchange will also be informed promptly.
4. If our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public Offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with the ROC.

### Offer Program

Event	Indicative Date
Bid/ Offer Opening Date	[●] <sup>(1)</sup>
Bid/ Offer Closing Date	On or about [●] <sup>(2)</sup>
Finalization of Basis of Allotment with Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id	On or about [●]
Linked Bank Account* (T+2)	
Credit of Equity Shares to Demat Accounts of Allottees (T+2)	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange (T+3)	On or about [●]

**Note:** <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

Applications and any upward revisions to the same will be accepted only between 10.00 A.M. to 4:00 P.M. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Offer Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from all Applicants.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

### Lot Size

SEBI vide circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 (“Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹) Lot Size (No. of shares)	Issue Price (in ₹) Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600

More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to the Offer in consultation with Book Running Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 *notified by SEBI* (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Offer size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

The SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, permits the offer of securities to the public through the Book Building Process, which states that not less than 35% of the Net Offer shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025. Not more than 50% of the Net Offer shall be allotted to QIBs, subject to valid Bids being received at or above the Offer Price.

Further, SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, our Company shall ensure that the minimum application size shall be two lots per application; Provided that the minimum application size shall be above ₹ 2 lakhs.”

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for IIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (**“UPI Phase I”**). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (**“UPI Phase II”**), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Individual Investors (**“UPI Phase III”**), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the Offer. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days.

Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of NSE Limited (“NSE Emerge”) to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com/emerge](http://www.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above-mentioned website of Platform of NSE Limited, NSE Emerge.

Please note that the information stated/covered in this chapter may not be complete and/or accurate and as such would be subject to modification/change. Our Company and BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document. Our Company and BRLM would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Applicant are advised to make their independent investigations and ensure that their application does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.

Further, the Company and the Book Running Lead Manager is not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

### **Phased implementation of Unified Payments Interface**

SEBI has issued circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) in relation to streamlining the process of public Issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by Individual Bidders through intermediaries with the objective to reduce the time duration from public Issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an Individual Bidders had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by Individual Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or

notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis), subject to any circulars, clarification or notification issued by the SEBI from time to time.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Individual Applicants into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## PART A

### Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.

In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.**

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021, read with CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.

### MODIFICATION IN THE ALLOCATION TO THE NET OFFER

The SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, permits the offer of securities to the public through the Book Building Process, which states that not less than 35% of the Net Offer shall be available for allocation to Individual Investors who apply for minimum application size. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion



will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025. Not more than 50% of the Net Offer shall be allotted to QIBs, subject to valid Bids being received at or above the Offer Price.

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and subject to the availability of Equity Shares in the Non – Institutional investors category allotment to Non- Institutional Investors shall be more than two lots which shall not be less than the minimum application size and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Applications made by the Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. Individual Investors (other than the Individual Investors using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. Individual Investors using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

### **Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

The prescribed colour of the Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White

Category	Colour of Bid cum Application Form*
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors**	White

**Note:** Electronic Bid cum Application form will also be available for download on the website of the NSE Limited ([www.nseindia.com](http://www.nseindia.com)).

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by Individual Investors (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making a bid in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”).

Sl.No	Designated Intermediaries
1	An SCSB, with whom the bank account to be blocked, is maintained
2	A syndicate member (or sub-syndicate member)
3	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Individual investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds

<b>than SCSBs with use of UPI for payment</b>	through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.
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Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

#### **Subject to the above, an illustrative list of Bidders is as follows:**

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- (a) Minors (except through their Guardians)
- (b) Partnership firms or their nominations
- (c) Foreign Nationals (except NRIs)
- (d) Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P.(DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Individual Bidders**

The Application must be for a minimum of two lots provided that the minimum application size shall be above ₹ 2 lakhs. In case of revision of Applications, the Individual Bidders have to ensure that the Application lots size is two lots and amount exceeds ₹ 2,00,000 as applicable. The Application must be for a minimum application size of two lots and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder exceeds ₹ 2,00,000. In case of revision of Applications, the Individual Bidders have to ensure only upward revision and they shall not withdraw or lower their bids.

**2. For Other than Individual Bidders (Non-Institutional Applicants and QIBs)**

The Application must be for more than two lots and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure upward revision and that the Application is for more than two lots for being considered for allocation in the Non-Institutional Portion.

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “Offer Procedure” on page 308 of this Draft Red Herring Prospectus.

*Further, in accordance with SEBI ICDR (Amendment) Regulations, 2025, the minimum application size in terms of number of specified securities shall not be less than ₹2.00 Lakh.*

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **PARTICIPATION BY PROMOTERS, PROMOTER GROUP, THE BRLM, THE SYNDICATE MEMBER AND PERSONS RELATED TO PROMOTERS / PROMOTER GROUP / THE BRLM**

The BRLM and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Member may apply for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

### **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengaluru Edition of [●] Regional newspaper (Kannada) where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Bengaluru Edition of [●] Regional newspaper (Kannada) where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSBs will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e., one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Offer Procedure” beginning on page 308 of this Draft Red Herring Prospectus.

- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e., the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Bidding at the Cut-off Price is prohibited for all Bidders and such Bids shall be rejected.
- d. The price of the specified securities issued to an anchor investor shall not be lower than the price issued to other applicants.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013; allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Offer Opening Date and Bid/ Offer Closing Date in the Red Herring Prospectus/Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the website of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus and/or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1) (ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.

- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **Applications by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Office of BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of



the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (Blue in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (White in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts

For further, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 339 of this Draft Red Herring Prospectus.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

### **Bids by FPIs including FIIs**

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 or an investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. 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, 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 the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, is permitted to issue, subscribe to or otherwise deal in offshore derivative instruments directly or indirectly, if it complies with the following conditions: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (i) to (iv)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Applications by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Applications:

- (1) FPIs which utilise the multi-investment manager structure;
- (2) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- (3) Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- (4) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has

multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;

- (5) Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- (6) Government and Government related investors registered as Category 1 FPIs; and
- (7) Entities registered as collective investment scheme having multiple share classes.

The Applications belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Application in the Application process. The Equity Shares allotted in the Application may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Application, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Applications shall be rejected

For details of investment by FPIs in the Offer, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 339 of this Draft Red Herring Prospectus. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months period from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

**There is no reservation for Eligible NRI Applicants, AIFs, FPIs and FVCIs. All Applicants will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company or the BRLM shall not be responsible for loss, if any, incurred by the Application on account of conversion of foreign currency.**

#### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the *Karta*. The applicant should specify that the Bid is being made in the name of the HUF in the Bid Cum Application Form as follows: “Name of sole or first applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

**Bids by Mutual Funds:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

**Bids by Limited Liability Partnerships**

In case of Bid Cum Application made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid Cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid Cum Application without assigning any reason thereof.

**Bids by Banking Companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Application Form. Failing this, our Company and the in consultation with the BRLM reserve the right to reject any Bid Cum Application without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development

Authority of India (Investment) Regulations, 2016, as amended (“**IRDAI Investment Regulations**”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Application without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Application made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of Rs. 2500 lakhs and pension funds with a minimum corpus of Rs. 2500 lakhs, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company and the, in consultation with the BRLM, may deem fit, without assigning any reasons thereof.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Application, without assigning any reason therefor.

**THE ABOVE INFORMATION IS GIVEN FOR THE BENEFIT OF THE BIDDERS. OUR COMPANY, AND THE MEMBERS OF SYNDICATE ARE NOT LIABLE FOR ANY AMENDMENTS OR MODIFICATION OR CHANGES IN APPLICABLE LAWS OR REGULATIONS, WHICH MAY OCCUR AFTER THE DATE OF THE DRAFT RED HERRING PROSPECTUS. APPLICANTS ARE ADVISED TO MAKE THEIR INDEPENDENT INVESTIGATIONS AND ENSURE THAT THE BID CUM APPLICATION FROM THEM DOES NOT EXCEED THE APPLICABLE INVESTMENT LIMITS OR MAXIMUM NUMBER OF THE EQUITY SHARES THAT CAN BE HELD BY THEM UNDER APPLICABLE LAWS OR REGULATION OR AS SPECIFIED IN THIS DRAFT RED HERRING PROSPECTUS, RED HERRING PROSPECTUS AND PROSPECTUS.**

**In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.**

### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER:**

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
- 2) The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **TERMS OF PAYMENT**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

#### **PAYMENT MECHANISM**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, none of the Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: - [●]
- b. In case of Non-Resident Anchor Investors: - [●]

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 4<sup>00</sup> p.m. of the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of

funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - (a) Name of the Bidder;
  - (b) IPO Name;
  - (c) Bid Cum Application Form Number;
  - (d) Investor Category;
  - (e) PAN (of First Applicant, if more than one Applicant);
  - (f) DP ID of the demat account of the Applicant;
  - (g) Client Identification Number of the demat account of the Applicant;
  - (h) Number of Equity Shares Applied for;
  - (i) Bank Account details;
  - (j) Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - (k) Bank account number
8. In case of submission of the Bid Cum Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Bid Cum Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non- Individual Investors and Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; Our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

#### **Withdrawal of Bids**

None of the bidders can withdraw their Bids or lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price and the Anchor Investor Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Offer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Offer, Bidders may refer to the Red Herring Prospectus.
- e) In case if the Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50%
1,500	22	3,000	100%
2,000	21	5,000	166.67%

2,500	20	7,500	250.00%
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The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalize the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

1. Our company has entered into an Underwriting Agreement dated [●].
2. A copy of Red Herring Prospectus shall be filed with the RoC and copy of the Prospectus shall be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and Section 26 of the Companies Act, 2013.

#### **Pre-Offer and Price Band Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-offer and price band advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), one [●] Hindi National daily newspaper and Bengaluru edition of [●] (a widely circulated Kannada daily newspaper) (Kannada being the regional language of Karnataka where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of under the SEBI ICDR Regulations.

#### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the none of the bidders are permitted to withdraw their bids or lower the size of their Bids in terms of quantity of Equity Shares or the Bid Amount at any stage.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Applicants should submit their Applications through the ASBA process only;
2. Ensure that you have a Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than Individual Investors Bidding using the UPI Mechanism) in the Application Form and such ASBA account belongs to you and no one else. Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID
4. Individual Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. Individual Investors Bidding using the UPI Mechanism shall make Applications only through the SCSBs, Mobile Applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only
8. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
9. All Applicants should submit their Applications Bids through the ASBA process only;
10. In case of joint Applications, ensure that first Applicant is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Applicant is included in the Application Form;



11. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Applicant is included in the Application Forms. PAN of the First Applicant is required to be specified in case of joint Applicants;
12. Applicants should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Application Form;
13. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to any of the Designated Intermediaries;
14. Submit upward revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Application Form to ensure proper upload of your Application in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Application under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
20. Ensure that Applications submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
21. Individual Investors applying using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Applications are liable to be rejected;
23. However, Applications received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Offer Closing Date;
25. FPIs making MIM Applications using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Applications are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;
26. Ensure that while Applying through a Designated Intermediary, the Application Form (other than for Individual Investors bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI (at [www.sebi.gov.in](http://www.sebi.gov.in)) or such other websites as updated from time to time;
27. Ensure that you have correctly signed the authorization /undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Application;
28. Individual Investors applying using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Individual Investor shall be deemed to have verified the attachment containing the application details of the Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application

Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Application Form in his/her ASBA Account;

29. Individual Investors Applying using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the First Applicant (in case of joint account) in the Application Form;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not apply for lower than the minimum Bid size;
2. Do not apply on another Bid Cum Application Form after you have submitted the same to a Designated Intermediary;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send the Bid Cum Application Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
6. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
7. Do not Apply on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not fill up the Application Form such that the Equity Shares Bid for exceeds the Offer / Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. If you are an Individual Investor and are using UPI mechanism, do not submit more than one Application Form for each UPI ID;
11. Do not submit the General Index Register (GIR) number instead of the PAN;
12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
13. Do not submit the Bid Cum Application without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
14. Do not withdraw your Bid Cum Application or lower the size of your Bid Cum Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
15. Do not submit Bid Cum Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Bidder;
16. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Individual Investors using the UPI Mechanism;
17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
18. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit more than one Bid Cum Application Form per ASBA Account. If you are an Individual Investor Bidding using the UPI Mechanism, do not submit Applications through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
20. Do not submit a Bid using UPI ID, if you are not an Individual Investor;
21. Do not apply for Equity Shares more than specified by respective Stock Exchanges for each category;
22. Individual Investors applying through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
23. Do not submit a Bid with third party UPI ID or using a third-party bank account (in case of Bids submitted by Individual Investors using the UPI Mechanism); and
24. Do not Apply if you are an OCB.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**  
**Other instructions for the Bidders**

**Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears

in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-Offer or post Offer related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

1. Tripartite Agreement dated March 17, 2025 among NSDL, our Company and the Registrar to the Offer.
2. Tripartite Agreement dated March 25, 2025 among CDSL, our Company and Registrar to the Offer.

### **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Amount blocked does not tally with the amount payable for the Equity Shares applied for;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Bid cum Application Form;
5. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
6. GIR number furnished instead of PAN;
7. Bid for lower number of Equity Shares than specified for that category of investors;
8. Bids at Cut-off Price;
9. Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
10. The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
11. Bids for lower number of Equity Shares than the minimum specified for that category of investors;
12. Category not ticked;
13. Multiple Bids as defined in the DRHP;
14. In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

15. Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
16. Signature of sole Bidder is missing;
17. Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Bid by OCBs;
21. Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
22. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
23. Bids not uploaded on the terminals of the Stock Exchanges;
24. Where no confirmation is received from SCSB for blocking of funds;
25. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
26. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
27. Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
30. Details of ASBA Account not provided in the Bid cum Application form.
31. Grounds of rejection to such applications which may be rejected by the exchange by its circular reference no: 07/2024 dated June 05, 2024. The relevant circular can be read at <https://nsearchives.nseindia.com/content/circulars/IPO62335.pdf>

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document.

## **BASIS OF ALLOCATION**

- The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Individual Investors, who apply for a minimum application size, non-institutional investors and Anchor Investors may be on a proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer.

## **INVESTOR GRIEVANCE**

In case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled "General Information" on page 64 of this Draft Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding two Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking

## **BASIS OF ALLOTMENT**

### **a) For Individual Bidders**

Bids received from the Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below:

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The number of Shares to be allocated to the successful Bidders will be arrived in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares allocated.
- c) Each successful Bidder shall be allotted [●] equity shares.

### **b) For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Individual Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The number of Shares to be allocated to the successful Bidders will be arrived in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares allocated.
- c) Each successful Bidder shall be allotted [●] equity shares.

### **c) For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available

for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d) ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- (b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**
- Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.
- (e) **Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalize the Basis of Allotment in consultation with NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

Individual Investor' means an investor who applies for minimum two lots. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Payment into Anchor Investor Escrow Accounts**

Our Company in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(A) In case of resident Anchor Investors: “[●]”

(B) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

#### **Flow of Events from the closure of bidding period (T Day) till Allotment:**

- On T Day, RTA shall validate the electronic bid details with the depository records and also reconcile the final certificates to be received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.

- RTA shall identify cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSBs to identify the applications with third party account for rejection.
- Third party confirmations will be completed by SCSBs on T+1 day.
- RTA will prepare the list of final rejections and circulate the rejections list with the BRLM / Company for their review / comments.
- Post rejection, the RTA will submit the basis of allotment with the National Stock Exchange of India Limited, Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

#### **Process for generating list of allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket / batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
  - In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
  - In categories where there is undersubscription, the Registrar will do full allotment for all valid applications
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY



CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer related Problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares. The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds

## Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

***“Any person who—***

- A. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- B. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- C. 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, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months period extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

## Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;
- that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within three (3) Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund
- that if our Company does not proceed with the Offer after the Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly
- that if our Company, in consultation with the BRLM, withdraw the Offer after the Offer Closing Date, our Company shall be required to file a fresh draft Offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter
- Promoter's contribution, if any, shall be brought in advance before the Offer Opening Date
- that adequate arrangements shall be made to collect all Application Forms submitted by Applicants; and
- no further Offer of Equity Shares shall be made until the Equity Shares Offered through the Prospectus are listed or until the Application monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

## Undertakings by the Selling Shareholders

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Promoter Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “*Statements and Undertakings made by the Promoter Selling Shareholders*”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Promoter Selling Shareholders. The Promoter Selling Shareholders specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by him pursuant to the Offer for Sale:

- i. The portion of the offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.
- ii. It shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- iii. The portion of the offered Shares have been held by the Promoter Selling Shareholders for a minimum period of one year prior to the date of filing the Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations;
- iv. He is the legal and beneficial owner and has full title of its respective portion of the offered Shares;
- v. That he shall provide all reasonable co-operation as requested by our Company and the Book Running Lead Manager in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of his portion of the offered Shares;
- vi. He will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges;
- vii. He will deposit his respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC;
- viii. He shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Application in the Offer, except as permitted under applicable law;
- ix. That he will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer;

The Promoter Selling Shareholders has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale.

## Utilisation of Offer Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Fresh Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Fresh Issue.

- 5) Our Company shall not have recourse to the Fresh Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

The Selling Shareholders specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 has prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government of India has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Circular**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 308 of this Draft Red Herring Prospectus. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India**

and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for the Offer do not exceed the applicable limits under applicable laws or regulations.

For further details, see “*Offer Procedure*” beginning on page 308 of this Draft Red Herring Prospectus.

**SECTION X**  
**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION\***  
**OF**  
**AVANA ELECTROSYSTEMS LIMITED**

\*As altered by the Special Resolution dated 11<sup>th</sup> November, 2024.

\*As altered by the Special Resolution dated 9<sup>th</sup> December, 2024.

\*As altered by the Special Resolution dated 03<sup>rd</sup> September, 2025

The regulation contained in Table 'F' of the First schedule to the Companies Act, 2013, so far as the same are applicable to a Company limited by shares, as defined in the Companies Act, 2013, shall apply to this Company in the same manner as if all such Regulations Table 'F' are specifically contained in the Articles, subject to the modifications herein contained.

***Interpretation***

**1. IN THESE REGULATIONS-**

In the interpretation of these Articles, unless repugnant to the context hereof:

- (a) "the Act" means the Companies Act, 2013;
- (b) "the seal" means the common seal of the company.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

**2. SHARE CAPITAL**

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of Rs. 5,00,000/- (Rupees Five Lakhs only) or such higher amount as may be required under the Act.
- (c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity Shares with voting rights, and/or Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to

the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

- (j) All of the provisions of these Articles shall apply to the Shareholders.
- (k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (m) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### **3. SHARE EQUIVALENT**

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

### **4. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares; *Provided* that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.
- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

### **5. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

### **6. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

### **7. POWER TO MODIFY RIGHTS**

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided



the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

## **8. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, 1996, cause to be kept the following registers in terms of the applicable provisions of the Act
  - (i) A Register of Members indicating separately for each class of Equity Shares held by each Shareholder residing in or outside India;
  - (ii) A register of Debenture holders; and
  - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

## **9. SHARES AND SHARE CERTIFICATES**

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:
  - (i) is proved to have been lost or destroyed; or
  - (ii) has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees twenty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- (f) Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.
- (g) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (h) When a new share certificate has been issued in pursuance of sub article (d) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) Where a new share certificate has been issued in pursuance of sub article (d) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (j) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (k) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

- (l) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (m) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (n) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (o) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

## **10. SHARES AT THE DISPOSAL OF THE DIRECTORS**

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with Section 46 and other applicable provisions of the Act and the Rules:
- (e) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favor it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company.
- (f) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal shall be affixed in the presence of the persons required to sign the certificate.
- (g) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge of twenty rupees each.
  - (i) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be or within such other period as any other legislation for

time being in force may provide. Every certificate of shares shall be in the form and manner as specified in Article 10 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.

- (ii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- (iii) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## **11. UNDERWRITING AND BROKERAGE**

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.
- (c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

## **12. CALLS**

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments.
- (b) fourteen (14) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favor.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the

relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favor of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company, to the extent applicable.

### 13. COMPANY'S LIEN:

- (a) The Company shall have a first and paramount lien on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect; on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company
- (b) Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article. Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
- (d) The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (e) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (f) Provided that no sale shall be made:
  - (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
  - (iii) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if

- any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
- (g) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
  - (h) The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

#### 14. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and

become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
- (l) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
- (m) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## **15. FURTHER ISSUE OF SHARE CAPITAL**

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
  - (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be prescribed under Law and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (B) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favor of any other Person; and the notice referred to in clause (A). above shall contain a statement of this right;
    - (C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner, which is not disadvantageous to the Shareholders and the Company;
  - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- (b) The notice referred to in sub-clause A. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
- (d) Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
- (e) The provisions contained in this Article shall be subject to the provisions of Section 42, Section 62 (4), 62 (5), and 62 (6) of the Act, the Rules and the applicable provisions of the Act.

## **16. TRANSFER AND TRANSMISSION OF SHARES**

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

- (c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
- (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.
- (g) Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
- (h) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (i) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (j) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (k) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 16(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (l) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (m) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favor of his nominee an instrument of transfer in

accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

- (n) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.
- (o) Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.
- (p) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (q) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.
- (r) In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (s) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (t) The Board may decline to recognize any instrument of transfer unless the instrument of transfer is in respect of only one class of shares
- (u) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and subdivisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (v) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (w) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.
- (x) Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.
- (y) The Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).
- (z) Provided that the delegated authority shall report on transfer of securities to the Board in each meeting.
- (aa) There shall be a common form of transfer in accordance with the Act and Rules.
- (bb) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

## **17. DEMATERIALIZATION OF SECURITIES**

- (a) *Dematerialization:*  
Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.



- (b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or reenactment thereof.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorization for Transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- (e) *Securities in Depositories to be in fungible form:*  
All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
- (f) *Rights of Depositories & Beneficial Owners:*
  - (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
  - (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
  - (iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
  - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.
- (h) *Register and Index of Beneficial Owners:*
  - (i) The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.
  - (ii) The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.
- (i) *Cancellation of Certificates upon surrender by Person:*  
Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.
- (j) *Service of Documents:*  
Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (k) *Transfer of Securities:*
  - (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

- (ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (l) *Allotment of Securities dealt with in a Depository:*  
Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (m) *Certificate Number and other details of Securities in Depository:*  
Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- (n) *Register and Index of Beneficial Owners:*  
The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Securityholders for the purposes of these Articles.
- (o) *Provisions of Articles to apply to Shares held in Depository:*  
Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.
- (p) *Depository to furnish information:*  
Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.
- (q) *Option to opt out in respect of any such Security:*  
If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository or such other time as may be prescribed under Law and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
- (r) *Overriding effect of this Article:*  
Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

## **18. NOMINATION BY SECURITIES HOLDERS**

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **19. NOMINATION FOR FIXED DEPOSITS**

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

## **20. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favor of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## **21. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

## **22. BORROWING POWERS**

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
  - (i) accept or renew deposits from Shareholders;
  - (ii) borrow money by way of issuance of Debentures;
  - (iii) borrow money otherwise than on Debentures;
  - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
  - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company, its free reserves and securities premium (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.
- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favor such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favor such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either

conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

## **23. RIGHTS TO ISSUE SHARE WARRANTS**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

## **24. BOARD TO MAKE RULES**

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## **25. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

## **26. ANNUAL GENERAL MEETING**

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

## **27. WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

## **28. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

## 29. NOTICE OF GENERAL MEETINGS

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, an Annual General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.  
The notice of every meeting shall be given to:
  - (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
  - (b) Auditor or Auditors of the Company, and
  - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by electronic mode or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
- (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.
- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

## 30. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right

of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

### **31. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

### **32. CHAIRMAN OF THE GENERAL MEETING**

- (a) The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.
- (b) Notwithstanding anything contained in the first proviso of clause (1) of section 203 of the Companies Act, 2013 and the rules made thereunder including any amendment thereto or re-enactment thereof for the time being in force, the Managing Director can be appointed as the Chairman of the company.

### **33. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

- (a) The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (b) Any member who has not appointed a Proxy to attend and vote on his behalf at a general meeting may appoint a Proxy for any adjourned general meeting, not later than forty-eight hours before the time of such adjourned Meeting.

### **34. QUESTIONS AT GENERAL MEETING HOW DECIDED**

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizers from office and fill vacancies in the office of scrutinizers arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

### **35. PASSING RESOLUTIONS BY POSTAL BALLOT**

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

### **36. VOTES OF SHAREHOLDERS**

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll or a member may exercise his vote at a meeting by electronic means in accordance with the Act (and shall vote only once) in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No shareholder shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of

the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarial certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarial certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in



- the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
  - (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
  - (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
    - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
    - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
    - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
    - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
    - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
    - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
    - (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
    - (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
    - (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
      - a) the names of the Directors and Alternate Directors present at each General Meeting;
      - b) all Resolutions and proceedings of General Meeting.
  - (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
  - (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
  - (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
  - (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
  - (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
  - (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

## 37. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). Provided that where the number of Directors exceed fifteen (15), prior approval of Shareholders of the Company needs to be taken by way of passing a Special Resolution in a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

The first Directors of the Company are stated as follows:

- a) Kondahalli Nagaraj Sreenath
- b) Panish Anantharamaiah
- c) Gururaj Dambal
- d) Sanjeev Kumar Nalawar
- e) Vinod Kumar Sampathkumar
- f) Shanmugaraj Ramaraj
- g) Chandrasena Kudur Srinivasa Rao

#### **38. CHAIRMAN OF THE BOARD OF DIRECTORS**

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

#### **39. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

#### **40. CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 38. Any Person so appointed as an additional director shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **41. DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

#### **42. INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules,

2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

#### **43. EQUAL POWER TO DIRECTOR**

Except as otherwise provided in these Articles and the Act, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

#### **44. NOMINEE DIRECTORS**

- (a) Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.
- (b) The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.
- (c) Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.
- (d) Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.
- (e) The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.
- (f) The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.
- (g) If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

#### **45. NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

#### **46. REMUNERATION OF DIRECTORS**

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such

approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

#### **47. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

#### **48. TRAVEL EXPENSES OF DIRECTORS**

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

#### **49. CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 37 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

#### **50. VACATION OF OFFICE BY DIRECTOR**

- (a) Subject to relevant provisions of Sections 164, 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:
- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
  - (ii) he applies to be adjudicated an insolvent and his application is pending; or
  - (iii) he is an undischarged insolvent; or
  - (iv) he is convicted by a court of any offence involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than 6 (six) months and a period of five years has not elapsed from the date of expiry of the sentence; or
  - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
  - (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
  - (vii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
  - (viii) he acts in contravention of Section 184 of the Act; or
  - (ix) he is removed in pursuance of Section 169 of the Act; or
  - (x) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

#### **51. RELATED PARTY TRANSACTIONS**

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to:
  - (i) sale, purchase or supply of any goods or materials;
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the company: without the consent of the Shareholders by way of an Ordinary Resolution in accordance with Section 188 of the Act.
- (b) Subject to provisions of Section 188 of the Act, no Shareholder of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Act.
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

## 52. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not apply to any contract or arrangement entered into or to be entered into between two companies or between one or more companies and one or more bodies corporate where any of the directors of the one company or body corporate or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company or the body corporate A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
  - (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,
    - 1. in his being -
      - I. a director of such company, and
      - II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a shareholder holding not more than 2 (two) per cent of its Paid-up Share Capital.
- (c) Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.
- (d) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 52(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (e) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

### **53. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

### **54. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
  - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
  - (iii) he is not qualified or is disqualified for appointment; or
  - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

### **55. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.**

Subject to Article 37 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

### **56. REGISTER OF DIRECTORS ETC.**

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

**57. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.**

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

**58. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of Section 196, 197 and 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

**59. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s) / manager he shall ipso facto and immediately cease to be a Director.

**60. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

**61. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the superintendence, control and direction of the Board, the day- to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**62. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under Section 68 of the Act;

- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;
- (b) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business; and
- (c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

### **63. PROCEEDINGS OF THE BOARD OF DIRECTORS**

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognizing the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. Any meeting of the Board held through video conferencing or other audio-visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

### **64. QUORUM FOR BOARD MEETING**

- (a) *Quorum for Board Meetings*



Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

## **65. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED**

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

## **66. ELECTION OF CHAIRMAN OF BOARD**

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

## **67. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
  - (i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
  - (ii) Remit, or give time for repayment of, any debt due by a Director;
  - (iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
  - (iv) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

## **68. COMMITTEES AND DELEGATION BY THE BOARD**

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the

manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

## **69. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

## **70. PASSING OF RESOLUTION BY CIRCULATION**

Subject to section 175 of the Act, no resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

## **71. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD**

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
  - (i) all appointments of Officers;
  - (ii) the names of the Directors present at each meeting of the Board;

- (iii) all resolutions and proceedings of the meetings of the Board;
- (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
  - (i) is or could reasonably be regarded as defamatory of any person;
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

## **72. REGISTER OF CHARGES**

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

## **73. CHARGE OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favor such charge is executed.

## **74. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

## **75. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY**

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

## **76. OFFICERS**

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

## **77. THE SECRETARY**

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

## **78. DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognized insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

## **79. SEAL**

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two (2) directors and of the secretary or such other person as the Board may appoint for the purpose; and those two (2) directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **80. ACCOUNTS**

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
  - (i) the web address, where annual return referred to in sub-section (3) of section 92 has been placed;

- (ii) number of meetings of the Board;
- (iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
- (iv) details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government
- (v) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
- (vi) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;
- (vii) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
  - 1. by the auditor in his report; and
  - 2. by the company secretary in practice in his secretarial audit report;
- (viii) particulars of loans, guarantees or investments under Section 186 of the Act;
- (ix) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
- (x) the state of the company's affairs; the amounts, if any, which it proposes to carry to any reserves;
- (xi) the amount, if any, which it recommends should be paid by way of Dividends;
- (xii) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
- (xiv) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
- (xv) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
- (xvi) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and
- (xvii) such other matters as may be prescribed under the Law, from time to time.
- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

## **81. AUDIT AND AUDITORS**

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act

and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

## **82. AUDIT OF BRANCH OFFICES**

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

## **83. REMUNERATION OF AUDITORS**

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

## **84. DOCUMENTS AND NOTICES**

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by electronic mode or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of shareholders in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- (g) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (h) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

## **85. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA**

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

## **86. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS**

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

## **87. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

## **88. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (i) To the Shareholders of the Company as provided by these Articles.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

## **89. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

## **90. DIVIDEND POLICY**

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
  - 1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
  - 2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies, in accordance with the Act.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

- (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid.
- (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
- (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- (f) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (g) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- (h) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (i) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (j) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (k) No unpaid Dividend shall bear interest as against the Company.
- (l) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.  
Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (m) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

## **91. UNPAID OR UNCLAIMED DIVIDEND**

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

## **92. CAPITALIZATION OF PROFITS**



The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
  - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;  
paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
  - (ii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

### **93. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE**

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation. Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
  - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
  - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and
  - (ii) to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any parts of the amounts remaining unpaid on the shares.
- (c) Any agreement made under such authority shall be effective and binding on all such shareholders.

### **94. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP**

- (a) If the company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

### **95. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY**

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favor or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

#### **96. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the relevant provision of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

#### **97. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

#### **98. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

- (a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.
- (b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (c) The Articles of the company shall not be amended unless the votes cast in favors of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.

#### **99. SECRECY**

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

#### **100. DUTIES OF THE OFFICER TO OBSERVE SECRECY**

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at No 8, Plot No.35, 1st Main Road, 2nd Phase Peenya Industrial Area, Nelagadaranahall, I Village, Bangalore, Karnataka, India, 560058, from date of filing the Red Herring Prospectus with Registrar of Companies on all Working Days from 10:00 a.m. to 5:00 p.m. until the Bid/Issue Closing Date. Further, copies of these contracts shall also be available for inspection on the website of the Company at [www.avanaelectrosystems.com](http://www.avanaelectrosystems.com)

### Material Contracts for the Offer:

1. Offer Agreement dated September 19, 2025 executed between our Company and the Book Running Lead Manager to the Issue.
2. Registrar and Transfer Agent Agreement dated September 11, 2025 executed between our Company and the Registrar to the Issue.
3. Banker(s) to the Issue Agreement dated [●] executed between our Company, the Book Running Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] executed between our Company, the Book Running Lead Manager and Market Maker to the Issue.
5. Syndicate agreement dated [●] executed between our Company, Book Running Lead Manager and the Syndicate Member;
6. Underwriting Agreement dated [●] between our Company, the Book Running Lead Manager and the Underwriter.
7. Share Escrow Agreement dated [●] executed between our Company, the Book Running Lead Manager and the Share Escrow Agent.
8. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated March 25, 2025.
9. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated March 17, 2025.

### Material Documents:

1. Certified true copies of the Certificate of Incorporation, Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation dated July 16, 2010, issued by the Registrar of Companies, Bengaluru in the name of “Avana Electrosystems Private Limited”
3. Fresh Certificate of Incorporation dated December 17, 2024 issued by the Registrar of Companies, Bengaluru in pursuance upon change of name of our Company from “Avana Electrosystems Private Limited” to “Avana Electrosystems Limited”.
4. The present Issue has been authorized pursuant to a resolution of our Board dated August 29, 2025 and Special Resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on September 3, 2025.
5. Resolution of the Board of Directors of our Company dated September 24, 2025 approving the Draft Red Herring Prospectus and amendments thereto.
6. Copy of Restated Financial Statements of our Company along with Examination Report for the Financial years ended on March 31, 2025, March 31, 2024 and March 31, 2023.
7. Copies of Annual Report of our Company for the Fiscal Years 2023, 2024 and 2025.

8. Consents of the Directors, Promoters, Book Running Lead Manager, Legal Advisor to the Issue, Chartered Engineer certifying the Installed Capacity of the Company, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Senior Managerial Personnel, Market Maker, Underwriter and Banker to the Issue as referred to, in their respective capacities.
9. Certificate of Key Performance Indicators issued by the Vasanth & Co., Statutory Auditor of our Company dated September 19, 2025.
10. Certificate on working capital requirements dated September 20, 2025 issued by Vasanth & Co., Statutory Auditor of our Company as disclosed in this Draft Red Herring Prospectus.
11. Resolution of the Audit Committee dated September 19, 2025, approving the key performance indicators of the Company.
12. Written Consent dated September 20, 2025 from M/s Vasanth & Co, Chartered Accountants holding a valid peer review certificate No. 015792 from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated [●] relating to the Restated Financial Statements; (ii) the statement of special tax benefits dated [●] and (iii) the certificates issued by them in relation to this Issue included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
13. The report dated September 20, 2025 from the Statutory Auditor of our Company, confirming the Statement of Special Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus;
14. Written Consent dated September 19, 2025 from the Architect namely M/s Sumathi Bhat M to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their (1) Certificate dated September 19, 2025 issued by them, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
15. Written Consent dated September 13, 2025 from M/s Souparnika Associates , Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate on independent verification of installed Plant and Machinery and assess the Manufacturing Capacity of units located at Plot No N-1, 4th Cross 1st Stage, Peenya Industrial Estate, Bengaluru – 560058 ( Unit I) and Plot No N-1, 4th Cross 1st Stage, Peenya Industrial Estate, Bengaluru – 560058 (Unit II).
16. Due Diligence Certificate dated September 24, 2025 issued by the Book Running Lead Managers along with the Site Visit Report dated September 24, 2025.
17. Copy of In-principle approval letter dated [●] from NSE Limited.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

**Anantharamaiah Panish**

Managing Director

DIN: 00288112

Place: Bengaluru

Date: September 24, 2025

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

**Gururaj Dambal**

Whole Time Director

DIN: 03099402

Place: Bengaluru

Date: September 24, 2025

## DECLARATION

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SD/-

**S Vinod Kumar**

Whole Time Director

DIN: 03115822

Place: Bengaluru

Date: September 24, 2025

## DECLARATION

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SD/-

**K N Sreenath**

Director

DIN: 03099421

Place: Bengaluru

Date: September 24, 2025



## DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

**Sheela Arvind**  
Independent Director  
DIN: 01020390  
Place: Bengaluru  
Date: September 24, 2025

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

**Shital Darak Mandhana**

Independent Director

DIN: 07043909

Place: Bengaluru

Date: September 24, 2025

### **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

**Kishore N S**

Independent Director

DIN: 11222235

Place: Bengaluru

Date: September 24, 2025

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

Amrutha Naveen  
**Company Secretary and Compliance Officer**  
**Membership No.A65237**

Place: Bengaluru  
Date: September 24, 2025

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SD/-

**Ravi Kumar S**  
Chief Financial Officer

Place: Bengaluru  
Date: September 24, 2025