



(Please scan this QR Code to view the DRHP)

DRAFT RED HERRING PROSPECTUS

Dated: December 02, 2024

(The Draft Red Herring Prospectus will be updated upon filing with the ROC)

Read with Section 26, 28 & 32 of the Companies Act, 2013

100% Book Built Issue



IMS MERCANTILES LIMITED
(Formerly known as IMS Mercantiles Private Limited)
Corporate Identity Numbers: U51395DL2003PLC121932

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India.	NA	Ms. Soniya Agrawal Company Secretary and Compliance Officer	Tel No: +91-11-47074444 Email Id: info@digitek.net.in	www.digitek.net.in

PROMOTERS OF OUR COMPANY: MR. AMIT KUMAR SARAFF, MR. DEEPAK SARAF, MR. ANKIT SARAF, MS. SHALU SARAF, MS. SAVITA BANSAL AND MR. SURESH KUMAR BANSAL

DETAILS OF THE OFFER

TYPE	FRESH OFFER SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL OFFER SIZE	ELIGIBILITY
Fresh Offer & OFS	Up to 38,78,400 Equity Shares of face value of ₹ 10.00 each aggregating up to ₹ [●] Lakhs	Up to 12,93,600 Equity Shares of face value of ₹ 10.00 each aggregating up to ₹ [●] Lakhs	Up to 51,72,000 Equity Shares of face value of ₹ 10.00 each aggregating up to ₹ [●] Lakhs	This Offer is being made in terms of Regulation 229(2) And 253(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share reservation among QIB's, NII's and RIB's, see "Offer Structure" on page 239 of this Draft Red Herring Prospectus.

DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS

NAME	TYPE	NO. OF SHARES OFFERED	WACA PER EQUITY SHARE (IN ₹) *
Mr. Amit Kumar Saraff	Promoter	3,36,339 Equity Shares aggregating to ₹ [●]	2.76
Mr. Deepak Saraf	Promoter	3,36,339 Equity Shares aggregating to ₹ [●]	2.45
Mr. Ankit Saraf	Promoter	1,94,040 Equity Shares aggregating to ₹ [●]	2.63
Ms. Shalu Saraf	Promoter	1,94,039 Equity Shares aggregating to ₹ [●]	2.31
Ms. Savita Bansal	Promoter	65,474 Equity Shares aggregating to ₹ [●]	2.68
Mr. Suresh Kumar Bansal	Promoter	63,883 Equity Shares aggregating to ₹ [●]	3.08
Ms. Preeti Saraf	Promoter Group	51,746 Equity Shares aggregating to ₹ [●]	2.86
Ms. Simmi Saraf	Promoter Group	51,740 Equity Shares aggregating to ₹ [●]	2.91

*As certified by M/s Gupta Jalan & Associates, Chartered Accountants, by way of their certificate dated October 17, 2024.

RISK IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10.00 each. The Floor Price, the Cap Price and the Offer Price to be determined by our Company and Selling shareholders in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in "Basis for Offer Price" on page 85 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Offer Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 this 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 offered 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 section titled "Risk Factors" appearing on page 25 of this Draft Red Herring Prospectus.


OFFERER'S AND 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. Further, the Selling Shareholders accepts responsibility for and confirms only the statements specifically made by it in this Draft Red Herring Prospectus solely in relation to itself and its 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. Further, the Selling Shareholders does not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or Selling Shareholders or any other person(s), in this Draft Red Herring Prospectus.


LISTING

The Equity Shares offered through Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time our Company has received "in-principle" approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in the Offer Document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

BOOK RUNNING LEAD MANAGER TO THE OFFER

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED	Mr. Kunal Bansal	Email: kunal.bansal@shareindia.co.in Tel. No: +91-120-4910000

REGISTRAR TO THE OFFER

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 MAS SERVICES LIMITED	Mr. N.C Pal	Email: ipo@masserv.com Tel. No: 011-26387281-83, 011-41320335

BID/OFFER PERIOD

ANCHOR INVESTOR BID / OFFER PERIOD: [●]*	BID/OFFER OPENS ON: [●]	BID/OFFER CLOSES ON: [●]**
--	-------------------------	----------------------------

*Our Company and the Selling Shareholders have in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will open one Working Day prior to the Bid/Offer Opening Date.

**Our Company may, 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. ^UPI mandate end time and date shall be 5:00 pm on the Bid/ Offer Closing Date.



(Please scan this QR Code to view the DRHP)



IMS MERCANTILES LIMITED

(Formerly known as IMS Mercantiles Private Limited)

Corporate Identity Numbers: U51395DL2003PLC121932

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation offered by the Registrar of Companies, N.C.T. of Delhi and Haryana dated August 26, 2003, with the name 'IMS Mercantiles Private Limited' bearing Corporate Identification Number U51395DL2003PTC121932. Subsequently our Company was converted into a limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 31, 2024 and the name of our Company was changed from "IMS Mercantiles Private Limited" to "IMS Mercantiles Limited" vide fresh Certificate of Incorporation was granted to our Company consequent upon conversion into public limited company dated August 05, 2024 bearing Corporate Identification Number U51395DL2003PLC121932 by the Registrar of Companies, Central Processing Centre. At present, the registered office of the company is situated at 704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India. For details of change in name and registered office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page no. 130 of this Draft Red Herring Prospectus.

Registered Office: 704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India.

Website: www.digitek.net.in; E-Mail: info@digitek.net.in; Telephone No: +91-11-47074444; Company Secretary and Compliance Officer: Ms. Soniya Agrawal

PROMOTERS OF OUR COMPANY: MR. AMIT KUMAR SARAFF, MR. DEEPAK SARAF, MR. ANKIT SARAF, MS. SHALU SARAF, MS. SAVITA BANSAL AND MR. SURESH KUMAR

BANSAL

THE OFFER

INITIAL PUBLIC OFFER OF UP TO 51,72,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF IMS MERCANTILES LIMITED ("IMS" OR THE "COMPANY" OR THE "OFFERER") 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 A FRESH OFFER OF UP TO 38,78,400 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY ("FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 12,93,600 EQUITY SHARES ("OFFERED SHARES") OF FACE VALUE OF ₹ 10.00 EACH AGGREGATING UP TO ₹ [●] LAKHS BY MR. AMIT KUMAR SARAFF, MR. DEEPAK SARAF, MR. ANKIT SARAF, MS. SHALU SARAF, MS. PREETI SARAF, MS. SIMMI SARAF, MS. SAVITA BANSAL AND MR. SURESH KUMAR BANSAL ("SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, "OFFER FOR SALE"). OUT OF THE ISSUE UP TO 2,59,200 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 UP TO 49,12,800 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER 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. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED HINDI DAILY NEWSPAPER) AND ALL EDITIONS OF [●] THE REGIONAL LANGUAGE, 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 EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS")

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/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 respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("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 Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders are required to participate in the Offer by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Offer Procedure" on page 211.

All potential investors shall participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" on page 211 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10.00 each. The Floor Price, the Cap Price and the Offer Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this 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 Offered in the Offer have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 25 of this Draft Red Herring Prospectus.

OFFERER'S AND SELLING SHAREHOLDER' 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. Further, the Selling Shareholders accepts responsibility for and confirms only the statements specifically made by it in this Draft Red Herring Prospectus solely in relation to itself and its 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. Further, the Selling Shareholders does not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or Selling Shareholders or any other person(s), in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time our Company has received "in-principle" approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in the Offer Document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

BOOK RUNNING LEAD MANAGERS



SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED

SEBI Registration Number: INM000012537

Address: A-15, Basement, Sector-64, Noida, Gautam Buddha Nagar, Noida-201301, Uttar Pradesh, India.

Telephone Number: +91-120-4910000

Contact Person: Mr. Kunal Bansal

Email Id: kunal.bansal@shareindia.co.in

Investors Grievance E-mail: mb@shareindia.com

Website: www.shareindia.com

CIN: U65923UP2016PTC075987

REGISTRAR TO THE OFFER



MAS SERVICES LIMITED

SEBI Registration Number: INR000000049

Address: T-34, 2nd Floor, Okhla Industrial Area, Phase-2, New Delhi-110020, India.

Tel. No: 011-26387281-83, 011-41320335

Email: ipo@masserv.com

Investor Grievance Email: NA

Website: www.masserv.com

Contact Person: Mr. N.C PAL

CIN: U74899DL1973PLC006950

BID/OFFER PERIOD

ANCHOR INVESTOR BID / OFFER PERIOD: [●]*

BID/OFFER OPENS ON: [●]

BID/OFFER CLOSES ON: [●]**

*Our Company and the Selling Shareholders have in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will open one Working Day prior to the Bid/Offer Opening Date.

**Our Company may, 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.

^UPI mandate end time and date shall be 5:00 pm on the Bid/ Offer Closing Date.

THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

Contents	
SECTION I – GENERAL	2
DEFINITIONS AND ABBREVIATIONS	2
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	14
FORWARD LOOKING STATEMENTS	16
SECTION II - SUMMARY OF OFFER DOCUMENT	18
SECTION III – RISK FACTORS	25
SECTION IV – INTRODUCTION	43
THE OFFER	43
SUMMARY OF OUR FINANCIAL INFORMATION	45
SECTION V – GENERAL INFORMATION	48
SECTION VI – CAPITAL STRUCTURE	57
SECTION VII- PARTICULARS OF THE OFFER -.....	77
OBJECTS OF THE OFFER	77
BASIS FOR ISSUE PRICE	85
STATEMENT OF TAX BENEFIT	91
SECTION V – ABOUT THE COMPANY	94
INDUSTRY OVERVIEW	94
OUR BUSINESS	106
KEY INDUSTRIAL REGULATIONS AND POLICIES	123
OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS	130
OUR MANAGEMENT	135
OUR PROMOTERS	150
OUR PROMOTER GROUP	156
OUR GROUP COMPANIES	158
RELATED PARTY TRANSACTION	159
DIVIDEND POLICY	160
SECTION IX - FINANCIAL STATEMENT AS RESTATED	161
OTHER FINANCIAL INFORMATION	162
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS	163
FINANCIAL INDEBTEDNESS	171
SECTION X-LEGAL AND OTHER INFORMATION	173
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	173
GOVERNMENT AND OTHER APPROVALS	180
OTHER REGULATORY AND STATUTORY DISCLOSURES	190
SECTION VIII – OFFER RELATED INFORMATION	203
TERMS OF THE OFFER	203
OFFER PROCEDURE	211
OFFER STRUCTURE	239
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	244
SECTION XIII – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION	246
SECTION XIV - OTHER INFORMATION	258
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	258
DECLARATION	260

**SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines, and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statements”, “Outstanding Litigation and Other Material Developments”, will have the meaning ascribed to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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

General Terms

Term	Description
“IMS”, “IML”, “We” or “us” or “our Company” or “the Offeror”, (the Issuer) or “the Company”	Unless the context otherwise requires, refers to IMS Mercantiles Limited (Formerly Known as IMS Mercantiles Private Limited), a company incorporated under the Companies Act, 1956, vide Corporate Identification Number U51395DL2003PLC121932 and having registered office at 704, 7th Floor, Ring Road Mall Sector-3, Rohini, Delhi 110085, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your”, or “yours”	Prospective Investor in this offer

Company Related Terms

Terms	Description
Additional Director	An Additional Director of our Company.
Articles / Articles of Association AOA	The Articles/ Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled “ Our Management ” on page 135 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s Gupta Jalan & Associates, Chartered Accountants having firm registration number 003721N and peer review certificate number 018060.
Board of Directors / Board/ Director(s)	Board of Directors of our company or a duly constituted committee thereof. For further details of our Directors, please refer to section titled “ Our Management ” beginning on page 135 of this Draft Red Herring Prospectus.
Bankers to our Company	HDFC Bank Limited will be Banker to our Company in the chapter titled “ General Information ” on page 48 of this Draft Red Herring Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of our Board of Directors and committees to the Board.
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	Ms. Soniya Agrawal, the Company Secretary and the Compliance Officer of our Company. (Membership No. A51116)
Chief Financial Officer/ CFO	Ms. Shalu Saraf, the Chief Financial Officer of our Company.
Central Registration Centre (CRC)	It’s an initiative of Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details, please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html

Terms	Description
CSR Committee/ Corporate Social Responsibility Committee	CSR Committee of our Company as described in the chapter titled "Our Management" beginning on page 135 of this Draft Red Herring Prospectus.
Depositories Act	The Depositories Act, 1956, as amended from time to time.
DP/ Participant	A depository participant as defined under the Depositories Act.
DP ID	Depository's Participant's Identity Number
Director(s)	The director(s) on the Board of our Company as described in "Our Management" beginning on page 135 of this Draft Red Herring Prospectus.
Equity Shares	Equity shares of our Company of face value of ₹ 10.00 each.
Equity Shareholders	Persons holding equity shares of our Company.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	It shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
Group Companies	In terms of SEBI ICDR Regulations, the term "Group Companies" includes companies (other than promoters and subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in "Our Group Companies" on page 158 of this Draft Red Herring Prospectus.
HUF	Hindu Undivided Family
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number i.e. INE0WOY01015.
Key Managerial Personnel / KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the section titled "Our Management" on page 135 of this Draft Red Herring Prospectus.
Managing Director/ MD	Mr. Amit Kumar Saraff is the Managing Director of our Company.
Materiality Policy	The policy adopted by our Board on August 16, 2024 for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MOA/Memorandum of Association	Memorandum of Association of our company, as amended from time to time.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "Our Management" beginning on page 135 of this Draft Red Herring Prospectus.
Non-executive Directors	Non-executive Directors of our company.
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 validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	The promoters of our Company, namely, Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Savita Bansal and Mr. Suresh Kumar Bansal as disclosed in "Our Promoters" beginning on page 150 of this Draft Red Herring Prospectus.
Promoters Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "Our Promoter Group" on page 156 of this Draft Red Herring Prospectus.

Terms	Description
Registered Office	The registered office of our Company situated at 704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India.
Registrar of Companies/ ROC	The Registrar of Companies, Delhi, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019.
Restated Financial Statements/ Restated Financial Information	The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities for the period ended July 31, 2024 and for the year ended as at March 31, 2024; March 31, 2023 and March 31, 2022 and the restated statements of profit and loss and the restated cash flows for the period ended July 31, 2024 and for the year ended March 31, 2024; March 31, 2023 and March 31, 2022 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) offered by the ICAI, together with the schedules, notes and annexure thereto.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Selling Shareholders	It shall mean Selling shareholders of our Company i.e. Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Savita Bansal, Mr. Suresh Kumar Bansal, Ms. Preeti Saraf and Ms. Simmi Saraf. For further details, please refer to section titled " <i>Our Promoters & Promoter Group</i> " beginning on page 150 of this Draft Red Herring Prospectus.
Shareholders	The holders of the Equity Shares, from time to time.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see " <i>Our Management</i> " on page 135 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to, EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE").
Subsidiary	Means a company defined under section 2(87) the Companies Act, 2013. As on date of filing the prospectus, there is no company as Wholly owned Subsidiary to our Company.
Whole-time Director/ WTD	Mr. Deepak Saraf is the Whole-Time Director of our Company.

Offer Related Terms

Terms	Description
Abridged Prospectus	Abridged Prospectus to be offered under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form.
Acknowledgement Slip	The slip or document offered by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allotment/ Allotted	Unless the context otherwise requires, means allotment of the Equity Shares pursuant to the Fresh Offer and transfer of the Offered shares by the Selling Shareholders pursuant to the Offer for Sale to successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been allotted.
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 Draft Red Herring Prospectus/ Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Offer Period.

Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Offered and Allotted to Anchor Investors in terms of the Draft Red Herring Prospectus/ 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 and Selling Shareholders in consultation with the BRLM.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM, 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.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Offer.
ASBA/ Application Supported by Blocked Amount	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Offer containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid / Application Amount in relation to a Bid / Application by an ASBA Applicant.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable)
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicant and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Offer/ Public Offer Bank/ Refund Banker.	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public Offer Account will be opened and in this case being [●].
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the offer and which is described under chapter titled “ <i>Offer Procedure</i> ” beginning on page 211 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, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Bid cum Application Form.
Bidder	Any investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs 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 Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor application form or ASBA form (with and without the use of UPI, as may be applicable), whether physical or electronic, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus.

Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/ Offer Period	<p>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 and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company and the Selling Shareholders in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders 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.</p>
Bid/Offer Closing Date	<p>Except in relation to Anchor Investors The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), Regional editions of [●] (a widely circulated regional language daily newspaper) (the regional language, where our Registered Office is located).</p> <p>Our Company and the 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. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Offer Opening Date	<p>Except in relation to Anchor Investors The date on which the Designate Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper) and Regional editions of [●] (a widely circulated regional language daily newspaper, where the Registered Office is located).</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
Bidding/Collection Centres	Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process	The book building process, as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer will be made.
Book Running Lead Manager or BRLM/ LM	Book Running Lead Manager to the Offer, in this case being Share India Capital Services Private Limited.
Broker Centres	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to Anchor investors indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the designated stock exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of Circular rescinded via Master Circular dt. May 07, 2024 - SEBI/HO/MIRSD/POD-1/P/CIR/2024/37

		issued by SEBI, as updated from time to time.
Controlling Branch		Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchange and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Digital Personal Data Protection Act, 2023		An Act to provide for the processing of digital personal data in a manner that recognizes both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes and for matters connected therewith or incidental thereto.
Data Principal		As per DPDP Act, 2023 means an Individual who provides personal data as per Digital Personal Data Protection Act, 2023.
Data Fiduciaries		As per DPDP Act, 2023 means a person who manages as determine the purpose for processing the personal data.
Demographic Details		The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Designated Branches		Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Designated Date		The date on which relevant amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are offered to the SCSBs (in case of RIIs using UPI Mechanism, instruction offered through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Draft Red Herring Prospectus following which Equity Shares will be Allotted in the Offer.
Depository Participant		A Depository Participant as defined under the Depositories Act, 1996.
Designated Intermediaries/ Collecting Agent		In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub- syndicate members, Registered Brokers, CDPs and RTAs.
Designated Locations	RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Locations	CDP	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Branches	SCSB	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
DP ID		Depository Participant's identification number.
Designated Exchange	Stock	NSE-EMERGE i.e. SME platform of National Stock Exchange of India Limited.
Draft Red Herring Prospectus		This Draft Red Herring Prospectus dated December 02, 2024 offered in accordance with Section 23, 26, 28 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRIs		NRIs from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
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 offered thereby and who have opened Demat accounts with SEBI registered qualified depository participants.

EMERGE Platform of NSE	EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Portfolio Investors) Regulations 2014) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
Fresh Offer	The Fresh Offer of Up to 38,78,400 Equity Shares of face value of ₹ 10.00 each fully paid up by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.
General Information Document / GID	The General Information Document for investing in public offers prepared and offered in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and certain other amendments to applicable laws and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI and included in the chapter “Offer Procedure” on page no. 211 of this Draft Red Herring Prospectus.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any offer related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
KPI	Key Performance Indicators
Listing Agreement	The equity listing agreement to be signed between our Company and the National Stock Exchange of India Limited
Market Maker	Market Makers appointed by our Company from time-to-time Share India Securities Limited having SEBI registration number INZ000178336 who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered between the BRLM, Market Maker, Selling Shareholders and our Company dated September 19, 2024.
Market Maker Reservation	The Reserved Portion of up to 2,59,200 equity shares of face value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] per equity share aggregating ₹ [●] Lakh for the Market Maker in this Offer.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of up to 49,12,800 Equity Shares of ₹ 10.00 each of Offeror at (₹ [●] (including share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Offer Proceeds, less the Offer related expenses, received by the Company. For information about use of the Offer Proceeds and the Offer expenses, please refer to the chapter titled “Objects of the Offer” beginning on page 77 of this Draft Red Herring Prospectus.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹ 2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Offer.
Offer for Sale	The Offer for sale component of the Offer, comprising of an offer for sale of up to 12,93,600 Equity Shares at ₹ 10.00 per Equity Shares aggregating to ₹ [●] by the Selling Shareholders.
Offer/Initial Public Offer	Initial Public Offer of Up to 51,72,000 Equity Shares of face value of ₹ 10.00 per Equity Share at an Offer price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs comprising the Fresh Offer and the Offer for Sale.
Offer/Offer Agreement/ Memorandum of	The agreement/MOU dated September 19, 2024 between our Company, the Selling shareholders and the BRLM, pursuant to which certain arrangements are agreed to in relation

Understanding (MOU)	to the Offer.
Offer/ Offer Closing Date	The date on which Offer closes for subscription i.e. [●]
Offer/Offer Opening Date	The date on which Offer opens for subscription i.e. [●]
Offer/Offer Period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both the days during which prospective investors may submit their application.
Offer/Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus which 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 Draft Red Herring Prospectus/ Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which 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 Draft Red Herring Prospectus/ Red Herring Prospectus.
Offer/ Offer Proceeds	Proceeds from the Offer will be, being ₹ [●] Lakhs.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company in consultation with the BRLM, will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
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 containing, inter alia, the Offer opening and closing dates and other information.
Public Offer Account	Account opened with the Banker to the Offer/Public Offer Bank i.e. [●] by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an offer and with which the Public Offer Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI, foreign portfolio investor other than individuals, corporate bodies and family offices, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lakh, pension fund with minimum corpus of ₹ 2,500 Lakh, NIF and 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, systemically important non-banking financial companies.
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be offered in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the ROC at least three days before the Bid/Offer Opening Date.
Refund Account	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Offer Account in case listing of the Equity Shares does not occur.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Offer, at which the Refund Account for the Offer will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Refunds through electronic transfer of	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable

funds	
Registrar/ Registrar to the Offer	Registrar to the Offer being MAS Services Limited. For more information, please refer “ General Information ” on page 48 of this Draft Red Herring Prospectus.
Registrar Agreement	The agreement dated September 19, 2024 entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Regulations	Unless the context specifies something else, this means the SEBI (Offer of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of the Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s). QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Application Amounts (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can withdraw or revise their Application until Offer Closing Date).
SCSB/ Self-certified syndicate Banks	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Offer registered with SEBI which is appointed by the Offeror to act as a conduit between the Stock Exchanges and NPCI to push the mandate collect requests and / or payment instructions of the retail investors into the UPI. In this case being [●].
Shareholders	Shareholders of our Company from time to time.
Shares Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●].
Share Escrow Agreement	The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Underwriter	Underwriter to this Offer is Share India Capital Services Private Limited.
Underwriting Agreement	The agreement dated September 19, 2024 entered between Book Running Lead Manager, Underwriter, Our Company and Selling shareholders.
UPI/ Unified Payments Interface	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person’s bank a/c
UPI	Unified Payments Interface.
UPI Circulars /SEBI UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications offered 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 RBI by way of a notification on the UPI application and by way of a SMS directing the RBI to such UPI application) to the RBI initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

UPI Mechanism	Process for applications by RBI submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Draft Red Herring Prospectus are open for business. 1. However, in respect of announcement of price band and bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business. 2. In respect to the time period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular offered by SEBI.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.

Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as offered by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BIS	Bureau of Indian Standards
Bn	Billion
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange of India Limited
CAC	Consumer Acquisition cost
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Covid-19	The novel Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
CS	Company Secretary
CSR	Corporate Social Responsibility
DCS	Distributed Control System
DGFT	Director General of Foreign Trade
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
ESIC	Employee's State Insurance Corporation
FICCI	Federation of Indian Chambers of Commerce & Industry
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated

GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IMF	International Monetary Fund
IP	Intellectual Property
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
IND AS	Indian Accounting Standards
ISO	International Organisation for Standardisation
LAN	Local Access Network
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Ministry of Micro, Small & Medium Enterprises
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSE EMERGE	EMERGE platform of National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
OSP	Other Service Provider
OTP	One Time Password
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PCB	Pollution Control Board
QA/QC	Quality Assurance / Quality Control
QIC	Quarterly Income Certificate
QMS	Quality Management System
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. / Rupees/ ₹ / INR	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
RERA	Real Estate Regulatory Authority
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
SPV	Special Purpose Vehicle
STT	Securities Transaction Tax
TAM	Total Available Market
Tech	Technology
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India ((Alternate Investment Fund) Regulations 2012) registered with SEBI under applicable laws in India.
WEO	World Economic Outlook
WHO	World Health Organisation
YoY	Year on Year

Technical/ Industry Related Terms

Term	Description
AV	Audio Visual
AUX	Auxiliary Port
BIS	Bureau of Indian Standards
DVD	Digital Video Disc
ETA	Equipment Type Approval
EMS	Electronics Manufacturing Services
HD	High Definition
LED	Light Emitting Diode
OEM	Original equipment manufacturer
OTT	Over the top
PRM	Product Road Map
PR	Public Relation
R & D Centres	Research and Design Centres
SEO	Search Engine Optimization
SKU	Stock Keeping Units
SB	Sound Bar
TVC Shoot	Television Commercial Shoot
USB	Universal Serial Bus

Notwithstanding the foregoing:

- 1. In the section titled “**Main Provisions of the Articles of Association**” beginning on page number 246 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 2. In the chapters titled “**Summary of Offer Documents**” and “**Our Business**” beginning on page numbers 18 and 106 respectively, of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 3. In the section titled “**Risk Factors**” beginning on page number 25 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 4. In the chapter titled “**Statement of Tax Benefits**” beginning on page number 91 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
In the chapter titled “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on page number 163 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.*

This space is intentionally left blank

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’, ‘Indian Government’, ‘GOI’, ‘Central Government’ or the ‘State Government’ are to the GOI, 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.

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements for the period ended July 31, 2024 and for the year ended March 31, 2024; March 31, 2023 and March 31, 2022 of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “**Financial Statements as Restated**” beginning on page 161 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

The Restated Statement of Assets and Liabilities of the company for the period ended July 31, 2024 and as at, March 31, 2024, 2023 and 2022 the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended July 31, 2024 and for the years ended at March 31, 2024, 2023 and 2022, (hereinafter collectively referred to as “Restated Financial Information”) have been extracted by the management from the audited financial statements for the period ended July 31, 2024 and for the year ended at March 31, 2024, 2023 and 2022.

These Restated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. 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 operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the Companies Act, 2013 as applicable to the Company's separate financial statements.

As far as possible, the financial statements are prepared using uniform accounting policies.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12-month period ended 31st March of that year. 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 decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management's Discussion and Analysis of Financial Condition and Results of Operations**” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “**Financial Statements, as Restated**” beginning on page 161 of this Draft Red Herring Prospectus.

CURRENCY AND UNITS OF PRESENTATION

All references to:

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

Our Company has presented all numerical information in its Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

EXCHANGE RATES

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

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

Currency*	Financial Period/year ended			
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
USD	83.67	83.35	82.11	75.90
EUR	90.55	90.10	89.27	84.22
AED	22.78	22.69	22.36	20.67

*Source: <https://www.xe.com/currencytables/>

Note: Exchange rate is rounded off to two decimal point

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. The data used in these sources may have been reclassified by us for the purposes of presentation. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the chapter titled “*Risk Factors*” beginning from page 25.

In accordance with the SEBI (ICDR) Regulations, the chapter titled “*Basis for Issue Price*” on page 85 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.

This space is intentionally left blank

FORWARD LOOKING STATEMENTS

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

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

- loss of consumers;
- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- adverse natural calamities having significant impact on regions where we are having projects under implementation;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled '**Risk Factors**', '**Our Business**' and '**Management's Discussion and Analysis of Financial Condition and Results of Operations**' beginning on page numbers 25, 106 and 163 respectively of this Draft Red Herring Prospectus.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. 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. Neither our Company, our Directors, the BRLM, the Selling Shareholders, nor any Syndicate member nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI's requirements, our Company shall ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus in relation to the statements and undertakings made by them in the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in the Red Herring Prospectus and the Prospectus until the date of allotment of Equity Shares. Only the statements and undertakings which are specifically confirmed or undertaken by each

of the Selling Shareholders about or in relation to themselves as Selling Shareholders and their respective portion of the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders.

This space has been left blank intentionally

SECTION II - SUMMARY OF OFFER DOCUMENT

SUMMAR OF OUR BUSINESS

IMS Mercantiles Limited (formerly known as IMS MERCANTILES PRIVATE LIMITED) was founded with a vision to distribute Samsung batteries and color photo Films. Since its inception, the company has significantly evolved and is now a brand name in the distribution of photographic accessories, rechargeable batteries, chargers, and smartphone accessories. Our outstanding after-sales service has been pivotal in establishing our strong reputation in the Indian market. The expertise of our promoters and management team has been pivotal in achieving and maintaining our market position.

SUMMARY OF OUR INDUSTRY

The global camera accessories industry is anticipated to surpass USD 3,481.1 million in 2024 and is expected to experience significant growth, reaching USD 13,107.8 million by 2034. Camera Accessories Market Analysis by Product Type (Memory Cards, Bags & Cases, Tripods & Support, Lenses & Filters, Flashes, Batteries & Power, and Other Product Type), Packaging Types (Folding Cartons, Clear View Boxes, Pouches & Bags, Clamshells, Blister Packs, and Trays), Price Range (Economy, Mid-Range, and Premium), Sales Channel (Retail Outlets (Multi-Brand Outlets), Electronic Stores, Franchise Outlets, Exclusive Stores (Branded Stores), E-Commerce, and Other Sales Channels) & Region.

(For further details please see the chapter titles “Our Industry” beginning on page 94 of this Draft Red Herring Prospectus and “Our Business” beginning on page 106 of this Draft Red Herring Prospectus and for details in regard to the risks involved in the Business of the Company and risk in relation to the Offer, please refer to chapter titled “Risk factors” beginning on page 25 of this Draft Red Herring Prospectus.)

PROMOTERS

The promoters of our Company are Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Savita Bansal and Mr. Suresh Kumar Bansal.

For detailed information please refer chapter titled “Our Promoters” and “Our Promoter Group” on page 150 and 156 respectively of this Draft Red Herring Prospectus.

OFFER SIZE

Initial Public Offer of up to 51,72,000 Equity Shares of face value of ₹ 10.00 each of IMS Mercantiles Limited (“IMS” or “IMS Mercantiles” or the “Company” or the “Offeror”) 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 a Fresh Offer of up to 38,78,400 Equity Shares aggregating up to ₹ [●] lakhs by our Company (“Fresh Offer”) and an Offer For Sale of up to 12,93,600 Equity Shares (“Offered Shares”) aggregating up to ₹ [●] lakhs by Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Preeti Saraf, Ms. Simmi Saraf, Ms. Savita Bansal and Mr. Suresh Kumar Bansal (“Selling Shareholders” and such Offer for Sale of Equity Shares by the Selling Shareholders, “Offer for Sale”). Out of the Offer Up to 2,59,200 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 up to 49,12,800 Equity Shares of Face Value of ₹ 10.00 each at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs is herein after 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.

DETAILS OF THE SELLING SHAREHOLDERS

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

Name of Selling Shareholders	Authorization Letter date	No. of equity shares held	No. of equity shares offered
Mr. Amit Kumar Saraff	September 09, 2024	40,02,383	3,36,339
Mr. Deepak Saraf	September 09, 2024	40,02,383	3,36,339
Mr. Ankit Saraf	September 09, 2024	23,09,041	1,94,040
Ms. Shalu Saraf	September 09, 2024	23,09,034	1,94,039
Ms. Savita Bansal	September 09, 2024	7,79,135	65,474
Mr. Suresh Kumar Bansal	September 09, 2024	7,60,200	63,883
Ms. Preeti Saraf	September 09, 2024	6,15,762	51,746
Ms. Simmi Saraf	September 09, 2024	6,15,692	51,740

The 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 severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

OBJECTS OF THE OFFER

Sr. No	Particulars	Amount in ₹ Lakh*
1	Gross Offer Proceeds*	[●]
2	Less: Public Offer Related Expenses	[●]
3	Net Offer Proceeds	[●]
Total		[●]

*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the ROC.

UTILIZATION OF NET OFFER PROCEEDS

Our Company intends to utilize the Net Proceeds for the following objects:

Sr. No.	Particulars	Amount (₹ in Lakh)*	% of Fresh Offer Proceeds
1.	Funding Capital expenditure for new store setups	612.59	[●]
2.	Funding working capital requirements of our Company	3,120.00	[●]
3.	General Corporate Purposes ⁽¹⁾	[●]	[●]
Total		[●]	[●]

(1) The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Offer.

* To be finalised on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC.

SHAREHOLDING

The shareholding pattern of our Promoter, Promoter's Group and Public before and after the Offer is as under:

Sr. No	Particulars	Pre-Issue		Post-Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
A)	Promoters				
1	Mr. Amit Kumar Saraff	40,02,383	25.41	[●]	[●]
2	Mr. Deepak Saraf	40,02,383	25.41	[●]	[●]
3	Mr. Ankit Saraf	23,09,041	14.66	[●]	[●]
4	Ms. Shalu Saraf	23,09,034	14.66	[●]	[●]
5	Ms. Savita Bansal	7,79,135	4.95	[●]	[●]
6	Mr. Suresh Kumar Bansal	7,60,200	4.83	[●]	[●]
	Total (A)	1,41,62,176	89.93	[●]	[●]
B)	Promoter Group				
7	M/s Amit Saraf HUF	70	Negligible	[●]	[●]
8	Ms. Kusum Lata Saraf	70	Negligible	[●]	[●]
9	Ms. Preeti Saraf	6,15,762	3.91	[●]	[●]
10	Mr. Rohit Saraf	70	Negligible	[●]	[●]
11	Ms. Anita Saraf	70	Negligible	[●]	[●]
12	Ms. Simmi Saraf	6,15,692	3.91	[●]	[●]
13	Ms. Divya Bansal	70	Negligible	[●]	[●]
14	Ms. Neelam Saria	70	Negligible	[●]	[●]
	Total (B)	12,31,874	7.82	[●]	[●]
	Promoter and Promoter Group (A+B)	1,53,94,050	97.75	[●]	[●]
C)	Public				
15	Mr. Pitam Goel	1,02,971	0.65	[●]	[●]
16	Ms. Divya Aggarwal	1,02,971	0.65	[●]	[●]
17	Mr. Gautam Bhartia	59,057	0.38	[●]	[●]
18	Ms. Neha Bhartia	59,056	0.37	[●]	[●]

19	Mr. Amit Jindal	30,284	0.19	[●]	[●]
	IPO	-	-	[●]	[●]
	OFS	-	-	[●]	[●]
	Total	3,54,339	2.25	[●]	[●]
	Total Shareholding (A+B+C)	1,57,48,389	100.00	[●]	[●]

SUMMARY OF FINANCIAL INFORMATION

Based on Restated Financial Statements

(₹ in Lakhs)

Particulars	Period Ended	For the year ended		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital	1,574.84	219.92	219.92	219.92
Net Worth	3,960.33	3,223.16	2,216.34	1,731.98
Revenue (total income)	6,742.91	17,719.00	13,546.97	12,822.88
Profit after Tax	444.66	1,006.82	484.36	483.21
Earnings per share				
- Basic	2.88	45.78	22.02	21.97
- Diluted	2.88	45.78	22.02	21.97
Net Asset Value per Equity Share (in ₹)	16.15	146.56	100.78	78.76
Total borrowings				
- Long Term	694.15	722.93	938.37	982.04
- Short Term	1,314.32	1,328.95	1,269.88	1,003.67

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Auditors.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

(Amount in ₹ Lakhs)

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved
Company	By	3	8	-	-	99.33
	Against	-	-	9	-	842.63
Promoter	By	-	-	-	-	-
	Against	-	-	-	2	31.00
Group Companies/Entities	By	N/A	N/A	N/A	N/A	N/A
	Against	N/A	N/A	N/A	N/A	N/A
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 173 of this 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 Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document 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 Offer Document 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 set forth below, 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 25 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Red Herring Prospectus there is no contingent liability on the Company.

FINANCING ARRANGEMENTS

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

COST OF ACQUISITION & WEIGHTED AVERAGE COST OF ACQUISITION

Weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholders in Last One Year:

Name of shareholders	Category	No. of Equity Shares acquired during the last one year	Weighted Average Price* (in ₹)
Mr. Amit Kumar Saraff	Promoter and Selling Shareholder	34,30,614	Nil
Mr. Deepak Saraf	Promoter and Selling Shareholder	34,30,614	Nil
Mr. Ankit Saraf	Promoter and Selling Shareholder	19,79,178	Nil
Ms. Shalu Saraf	Promoter and Selling Shareholder	19,79,172	Nil
Ms. Savita Bansal	Promoter and Selling Shareholder	6,67,830	Nil
Mr. Suresh Kumar Bansal	Promoter and Selling Shareholder	6,51,600	Nil
Ms. Preeti Saraf	Selling Shareholder	5,27,796	Nil
Ms. Simmi Saraf	Selling Shareholder	5,27,736	Nil

*The weighted average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

*As certified by our Statutory Auditor, M/S Gupta Jalan & Associates, Chartered Accountants, by way of their certificate dated October 20, 2024; UDIN:24520410BKEGOU6613.

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

Name of shareholders	Category	No. of Equity Shares held	Average cost of Acquisition (in ₹) *
Mr. Amit Kumar Saraff	Promoter and Selling Shareholder	40,02,383	2.76
Mr. Deepak Saraf	Promoter and Selling Shareholder	40,02,383	2.45
Mr. Ankit Saraf	Promoter and Selling Shareholder	23,09,041	2.63
Ms. Shalu Saraf	Promoter and Selling Shareholder	23,09,034	2.31
Ms. Savita Bansal	Promoter and Selling Shareholder	7,79,135	2.68
Mr. Suresh Kumar Bansal	Promoter and Selling Shareholder	7,60,200	3.08
Ms. Preeti Saraf	Selling Shareholder	6,15,762	2.86
Ms. Simmi Saraf	Selling Shareholder	6,15,692	2.91

*As certified by our Statutory Auditor, M/S Gupta Jalan & Associates, Chartered Accountants, by way of their certificate dated October 20, 2024; UDIN:24520410BKEGOT3521.

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 till the listing of the Equity Shares.

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

Except as set out below, we have not offered Equity Shares for consideration other than cash in the last one year:

Bonus Issue of 1,31,94,900 Equity Shares in the ratio of (6:1, Six equity shares for every one held) allotted on June 01, 2024 having Face Value of ₹ 10.00 each as per details given below:

Date of Allotment/ Transfer	Name of Shareholders	Nos. of Equity Share	% of Pre Offer Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoter s/ Promoter Group/ Director)
June 01, 2024	Mr. Amit Kumar Saraff	34,30,614	25.41	Bonus Shares	Promoter
	Mr. Ankit Saraf	19,79,178	14.66		Promoter
	Mr. Deepak Saraf	34,30,614	25.41		Promoter
	Ms. Shalu Saraf	19,79,172	14.66		Promoter
	Ms. Savita Bansal	6,67,830	4.95		Promoter
	Mr. Suresh Kumar Bansal	6,51,600	4.83		Promoter
	M/s Amit Saraf HUF	60	Negligible		Promoter Group
	Ms. Anita Saraf	60	Negligible		Promoter Group
	Ms. Preeti Saraf	5,27,796	3.91		Promoter Group
	Ms. Divya Bansal	60	Negligible		Promoter Group
	Ms. Kusum Lata Saraf	60	Negligible		Promoter Group
	Ms. Neelam Saria	60	Negligible		Promoter Group
	Mr. Rohit Saraf	60	Negligible		Promoter Group
	Ms. Simmi Saraf	5,27,736	3.91		Promoter Group

For more details, refer “*Capital Structure*” on page number 57 of this Draft Red Herring Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

As on date of filing Draft Red Herring Prospectus there has been no split/ consolidation of shares in the last one year.

For more details, refer “*Capital Structure*” on page number 57 of this Draft Red Herring Prospectus.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our company has not applied for or received any exemption from complying with any provisions of securities laws by SEBI.

SUMMARY OF RELATED PARTY TRANSACTIONS

Related Parties

Related Parties	Nature of Relationship
Mr. Amit Kumar Saraff	Managing Director
Mr. Deepak Saraf	Whole-Time Director
Mr. Ankit Saraf	Non-Executive Director
Mr. Ankit Chamoli	Independent Director
Mr. Ankush Kumar Chokhani	Independent Director
Ms. Shalu Saraf	Chief Financial Officer and Executive Director
Ms. Soniya Agarwal	Company Secretary and Compliance Officer
Mrs. Anita Saraf	Relatives of Key managerial personnel
Ms. Megha Saraf	Relatives of Key managerial personnel
Mrs. Kusum Lata Saraf	Relatives of Key managerial personnel
Mrs. Simmi Saraf	Relatives of Key managerial personnel
Mrs. Preeti Saraf	Relatives of Key managerial personnel

Mrs. Tisha Saraf	Relatives of Key managerial personnel
M/s. Amit Saraf HUF	Relatives of Key managerial personnel
Mr. Rohit Saraf	Relatives of Key managerial personnel
M/s Deepak Saraf HUF	Relatives of Key managerial personnel
M/s Vijay Kusum Amit Deepak HUF	Relatives of Key managerial personnel
Mrs. Swati Saraf	Relatives of Key managerial personnel

Related Party Transaction during the year:

(₹ in Lakhs)

Particulars	Period ended July 31, 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Remuneration Paid to Directors:				
Amit Kumar Saraff	31	88	64	52
Anita Saraf	14	43	39	33
Deepak Saraf	31	85	55	46
Ankit Saraf	14	42	36	31
Remuneration Paid to Relatives of Directors:				
Shalu Saraf	14	42	39	33
Simmi Saraf	14	42	39	33
Preeti Saraf	14	39	27	23
Tisha Saraf	3	9		
Suresh Bansal	10	30		
Yash Bansal	4	12		
Rent Paid to Directors and Relatives				
Anita Saraf	0.24	0.72	0.72	6
Ankit Saraf	-	-	-	5
Kusum Lata Saraf	0.24	0.72	0.72	1
Loans Received during the period				
Amit Kumar Saraff		-	-	5
M/s. Amit Saraf HUF		-	-	-
M/s Deepak Saraf HUF		-	-	5
Deepak Saraf		-	-	25
Anita Saraf		-	-	-
Rohit Saraf		-	-	5
Ankit Saraf		-	21	6
Suresh Bansal		-	-	13
Suresh Bansal HUF		-	-	4
Preeti Saraf		-	25	-
Savita Bansal		-	-	7
Simmi Saraf	1.22			
Shalu Saraf		-	-	3
Kusum Lata Saraf		-	25.00	-
Yash Bansal		-	-	4
M/s Vijay Kusum Amit Deepak HUF				-
Loans Repaid during the period				
Amit Kumar Saraff		-	-	70
M/s. Amit Saraf HUF		-	-	-
M/s Deepak Saraf HUF		17	-	-
M/s Vijay Kusum Amit Deepak HUF		-	-	-
Deepak Saraf		36	8	-
Ankit Saraf	1.20	30.00	8.80	1
Shalu Saraf	23.90	30.00	9.10	20
Megha Saraf		-	-	4
Kusum Lata Saraf	1.80	7.00	2.00	8
Simmi Saraf	23.90	102.00	14.00	65
Preeti Saraf		29.66	-	-
Rohit Saraf		-	-	13
Anita Saraf		25.17	15.09	6

Swati Saraf				
Divya Bansal		-	1.00	-
(c) Outstanding Loan Balance at the period end				
Amit Kumar Saraff				-
Anita Saraf		-	24	36
Deepak Saraf		-	34	39
Ankit Saraf	30	31	57	42
Shalu Saraf	90.81	115.00	134.27	133
Megha Saraf		-	-	11
Kusum Lata Saraf	78.34	80.00	80.74	52
Simmi Saraf		23.00	117.12	36
Preeti Saraf		-	28.30	2
Rohit Saraf		-	-	0
Swati Saraf		-	-	31
Suresh Bansal	58.57	59.00	68.16	61
Suresh Bansal HUF	39.70	40.00	36.73	34
Savita Bansal	30.18	30.00	27.92	26
Yash Bansal	6.45	5.97	5.97	6
Divya Bansal	30.29	30.00	28.02	27
Neelam Saria	4.82	5.00	4.46	4
Sarla Devi Choudhary	65.00	65.00	60.13	56
M/s. Amit Saraf HUF		-	-	-
M/s Deepak Saraf HUF	23.62	24.00	37.38	35
M/s Vijay Kusum Amit Deepak HUF		-	-	-

Note: The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

For details of Related Party Transaction please refer chapter titled **“Financial Statement as Restated”** on page no. 161 of this Draft Red Herring Prospectus.

This space is intentionally left blank

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we operate in, or to India and the other regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our businesses, results of operations, and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with **“Our Business”**, **“Industry Overview”** and **“Management’s Discussions and Analysis of Financial Condition and Results of Operations”** on page number 106, 94 and 163 respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial, and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates, and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See **“Forward-Looking Statements”** on page number 16

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, the financial information used in this section has been derived from our Restated Consolidated Financial Statements. In this section, unless the context otherwise requires, a reference to the “Company” is a reference to Security and Intelligence Services (India) Limited on a standalone basis, while any reference to “we”, “us” or “our” refers to Security and Intelligence Services (India) Limited and its Subsidiaries, Joint Ventures and associate companies, as applicable, on a consolidated basis.

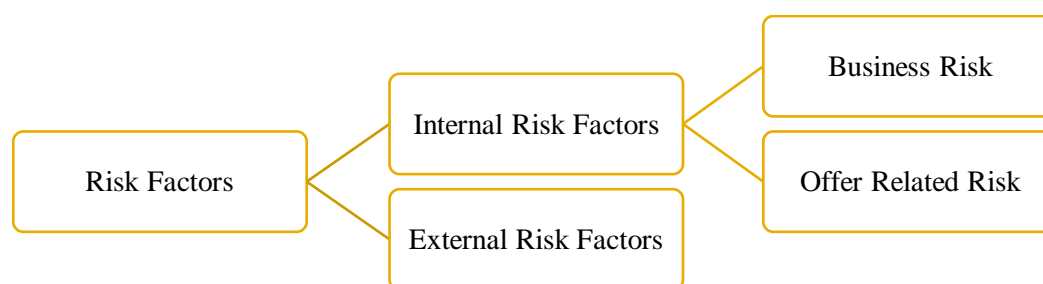
Materiality:

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

- Some risks may not be material individually but may be material when considered collectively.
- Some risks may have material impact qualitatively instead of quantitatively.
- Some risks may not be material at present but may have a material impact in the future.

Classification of Risk Factors

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



INTERNAL RISK FACTOR

RISKS RELATING TO OUR BUSINESS

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

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition.

Additionally, investigations under the Prevention of Money-laundering Act, 2002 (PMLA) has been initiated against Mr. Amit Kumar Saraff & Mr. Ankit Saraf - the Promoter/ Director of the Company. The matter is currently pending. We may be subject to legal action by the investigating authority in the same or other similar matters in future. We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoter, and Directors, as the case may be, or that no further liability will arise out of these proceedings. Further, there is no assurance that legal proceedings will not be initiated against our Company, its directors, Promoters in future.

A summary of the pending civil and other proceedings involving our Company, Promoters and Directors are provided below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved
Company	By	3	8	-	-	99.33
	Against	-	-	9	-	842.63
Promoter	By	-	-	-	-	-
	Against	-	-	-	2	31.00
Group Companies/Entities	By	N/A	N/A	N/A	N/A	N/A
	Against	N/A	N/A	N/A	N/A	N/A
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

For the details of litigation proceedings, please refer the chapter titled ***“Outstanding Litigations and Material Developments”*** beginning on page 173 of this Draft Red Herring Prospectus.

Further, in the ordinary course of our business, we may receive consumer protection claims, product liability claims, general commercial claims related to the conduct of our business and the performance of our products, employment claims and other litigation claims. Litigation resulting from these claims could be costly and time consuming and could divert the attention of management and key personnel from our business operations.

2. *We operate in a highly competitive and fragmented industry with low barriers to entry and may be unable to compete successfully against existing or new competitors, particularly in the unorganized segment.*

We operate in an industry that is highly competitive and fragmented and compete with a range of organized and unorganized players, both on the national and regional levels. Further, we compete against established players, who may have greater access to financial, technical, and marketing resources and expertise than us in the products and services that compete against them.

Further, industry consolidation may affect competition by creating larger, more homogeneous, and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key core employees, associates, or clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry, and the extent of our competitors’ responsiveness to their client’s needs. Our business may also be affected should our present or prospective clients utilize their internal workforce or rely on independent contractors or local recruitment agencies in the organized segment to meet their manpower requirements. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential entry of new competitors, given the low entry barriers in the industry where we operate, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various product and service segments we operate in, whether based on pricing, quality or range of services or otherwise, which could have a material adverse effect on our business, results of operations and financial condition.

3. *Our Company’s top 10 customers contribute majority of our revenues from operations for the period ended July 31, 2024. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

Our Company's top 10 customers contributed 61.88 % of our revenues from operations for the period ended July 31, 2024. Such concentration of our business on few clients may have an adverse effect on our results of operations and result in a significant reduction in the revenue from operations which could also adversely affect our business if we do not achieve our expected margins or suffer losses, from such clients. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. While we believe that we shall not face challenges in finding new customers in the ordinary course of business, our results of operations and financial condition may be adversely affected if we remain dependent on few customers.

4. Majority of our geographical wise revenues from operations for the last 3 years is majorly derived from Haryana and Maharashtra. Any adverse developments affecting our operations in this state could have an adverse impact on our revenue and results of operations.

Our business operations span various regions across India. Despite this diversified presence, we have a significance dependency on Haryana which contributes 23.60%, 23.80%, 32.05% and 26.86% to our total revenue for the stub period ending on July 31, 2024 and the Financial Years ending on March 31, 2024, March 31, 2023 and March 31, 2022 respectively and Maharashtra which contributes 14.80 %, 13.53 %, 11.83 % and 25.68 % to our total revenue for the stub period ending on July 31, 2024 and the Financial Years ending on March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

(₹ in Lakhs)

Name of the State	July 31, 2024	% of Revenue from operation	March 31, 2024	% of Revenue from operation	March 31, 2023	% of Revenue from operation	March 31, 2022	% of Revenue from operation
Haryana	1,583.20	23.60	4,190.55	23.80	4,321.59	32.05	3,435.90	26.86
Maharashtra	992.86	14.80	2,383.10	13.53	1,595.47	11.83	3,284.14	25.68

Relying heavily on one geographic location exposes us to regional economic fluctuations, regulatory changes, and local market dynamics. However, there is a downtrend of concentration of revenue from operations in these two states. Adverse conditions such as economic downturns, political instability, or natural disasters specific to that region could significantly impact our revenue stream and also any decline in the economic prosperity or changes in regulations within that particular region could negatively affect our financial performance.

5. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our cash flows basis for the periods indicated. We may in the future experience negative operating cash flows.

(₹ in Lakhs)

Particulars	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash from / (Used In) Operating Activities	(387.45)	740.37	(252.34)	377.55
Net Cash from / (Used In) Investing	0.64	(125.63)	(68.45)	(51.09)
Net Cash from Financing Activities	194.68	(398.59)	39.49	(454.47)
Net Increase / (Decrease) in Cash	(192.12)	216.15	(281.29)	(128.00)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance, and results of operations could be materially and adversely affected. For further information, please refer to the section titled '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page 163 of this Draft Red Herring Prospectus.

6. Our online marketing listings or reviews on social media platforms may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.

As social media platforms continue to rapidly evolve and new platforms continue to develop, we must continue to maintain a strong presence on these platforms and stay relevant on new or emerging trends on popular social media platforms. Our target clients often believe readily available information and any negative commentary could drive large-scale social media campaigns and posts against us, our services or brands, whether motivated or otherwise, and result in negative publicity, without further investigation and without regard to accuracy of facts. It is not possible for us to prevent or moderate such behavior, and the precautions we take to detect or restrict this activity may not be effective in all cases. The harm may be immediate and may

be long-lasting, without affording us an opportunity for redress or correction. Impersonated or fake websites, fake social media pages and accounts, fake client service calls impersonating themselves as associated with our brand or business may lead to fraud and dissatisfied clients. Furthermore, as laws, regulations, policies governing digital platforms and public opinion rapidly evolve to govern the use of these platforms, the failure by us, our employees or any third parties acting at our direction to abide by applicable laws, regulations, policies and guidelines (such as certain guidelines prescribed under the Advertising Standards Council of India (“ASCI”) Code of Self-Regulation (the “ASCI Guidelines”) in the use of these platforms or in the process of content creation for us or otherwise could subject us to regulatory investigations, liability, fines or other penalties and have an adverse effect on our business, financial condition, cash flows and results of operations. In addition, an increase in the use of social media for service promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and content. Also, it increases the risk that such materials could contain services restricted by local regulations, or otherwise, or marketing claims in violation of applicable regulations. In certain cases, applicable guidelines (such as the Guidelines for Influencer Advertising on Digital Media, 2021 (“Digital Media Guidelines”) and ASCI guidelines) require that content created by influencers should carry a disclosure label identifying their posts as advertisements. Additionally, pursuant to the Digital Media Guidelines, the influencer must have labels on the advertisements inter alia ‘ad’, ‘sponsored collaboration’, ‘partnership’. Such responsibility of disclosure in terms of the Digital Media Guidelines is on our Company and also the influencer. Pursuant to the internet laws in India, we are required to take steps to moderate the content displayed on our apps and websites, such as reviews and images posted by clients. These requirements entail considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these applicable laws, rules and regulations, including any penalties or fines, could adversely affect our business, financial condition, cash flows and results of operations.

If we are unable to cost-effectively use social media platforms as marketing tools or if the platforms, we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire consumers and our financial condition might get impacted.

7. *We may be subject to risks associated with product warranty for the brand products.*

We are subject to risks and costs associated with product warranties on account of supply of defective or inferior quality products within the warranty periods stipulated for such products. Any defects in the products may result in invocation of such warranties. The defects in such products or any product liability claim against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby adversely affecting our reputation, business, results of operations, financial condition and cash flows.

8. *Competition from online retailers who can offer products at competitive prices and are also able to offer wide range of products may adversely affect our business and our financial condition, results of operations and cash flows.*

We are witnessing a growth in the competition from online retailers who have been able to offer products at competitive prices. Due to various factors, including efficient logistics management and strategic tie-ups, online retailers are not only able to offer more discounts, but also a wider range of consumer durables. Due to the said reasons, online retailing has been witnessing noticeable growth in the recent years and increased competition from them could reduce footfalls and sales. There is no assurance that we would be able to effectively offset the advantages that our competitors in the online business may have and grow our business in a similar fashion like our online competitors, or that the competition we face would not drain our financial or other resources. If we are unable to adequately address such competitive pressures, our business, financial condition, results of operations and cash flows may be adversely affected.

9. *There have been some instances of non-filing/ delays /incorrect filings in the past with certain statutory authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely be affected.*

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the ROC, which have subsequently been filed along with the payment of additional fees, as specified by ROC.

For instance, our Company has made some clerical mistakes in documents, some documents/statements were not attached with the forms filed with Registrar of Companies.

Except as mentioned in the Draft Prospectus, till date, there has been no penalty levied on the Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

10. *Inadvertent Non-Compliance with Section 135 of the Companies Act, 2013 and Its Potential Impact on Business and Financial Performance.*

The Company inadvertently contravened the provisions of Section 135(5) of the Companies Act, 2013 due to the following reasons:

During the financial year 2022-23, the Company made donations to NGOs/Trusts for its CSR obligations. However, these NGOs/Trusts were unable to provide the required CSR Registration Certificates to the Company. In the financial year 2023-24, instead of depositing the unspent CSR amount into the funds defined under Schedule VII of the Act, the Company mistakenly spent the amount by donating it to CSR-registered NGOs/Trusts.

In light of these non-compliances, the Company filed a suo-moto adjudication application with the Ministry of Corporate Affairs (MCA) on November 27, 2024, under Section 454 of the Companies Act, 2013, seeking adjudication of the violations under Section 135 of the Act. However, there can be no assurance that the MCA will adjudicate this offence in a timely manner, or at all. In the event that the Company is subject to penalties or other regulatory actions concerning the above-mentioned application, it could adversely impact our reputation, business, and financial performance. Furthermore, we cannot guarantee that such lapses will not occur in the future or that we will not face further penalties or regulatory actions.

11. Certain of corporate and secretarial records such as Forms filed with Registrar of Companies such as incorporation forms, allotment and certain other records such as Transfer deeds, etc. are not traceable of our Company.

Our Company is unable to locate some of the regulatory filings made with the ROC and/or secretarial records including inter-alia in respect of: (i) allotment of Equity Shares w.r.t Incorporation, August 26, 2003 and Allotment dated January 30, 2004; (ii) Transfer Deeds prior to year 2010; Though our Company has made efforts to retrieve such records however, there is no certainty that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us, we cannot assure you that these regulatory filings were duly filed on a timely basis, or at all.

12. Our proposed capital expenditure relating to setup of new stores are subject to the risk of unanticipated delays in implementation and cost overruns.

We intend to use a part of our Net proceeds towards setting up of new stores, as given in “**Objects of the Issue**” beginning on page no. 77 of this Draft Red Herring Prospectus. Our proposed capital expenditure on stores carries significant risks related to unanticipated delays in implementation and cost overruns. Such delays can arise from a variety of factors, including regulatory hurdles, possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin permitting issues, supply chain disruptions, or labor shortages. These setbacks can postpone the operational start of these facilities, leading to lost opportunities and delayed revenue generation. Additionally, cost overruns may occur due to unexpected increases in material costs, design changes, or unforeseen construction challenges. These financial burdens can strain our budget, potentially requiring reallocation of funds from other critical areas or increasing our reliance on external financing. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

13. If we are unable to attract new clients or our existing clients do not wish to do business with us, the growth of our business and cash flows will be adversely affected.

To increase our revenue and cash flows, we must regularly add new clients. If we are unable to generate sufficient revenue through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to continue with business relationships, and this may decline or fluctuate due to a number of factors, including customers’ satisfaction with our services, our prices and the prices of competing service providers. If we fail to sell our services to new customers or if our existing customers do not wish to continue, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

14. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business heavily relies on complex, interdependent information technology systems, including internet-based platforms, to support operations, sales, marketing, and communication. Maintaining and upgrading these systems in a cost-effective and timely manner is crucial to our competitiveness. We use an enterprise-grade e-commerce platform with built-in data encryption to protect sensitive information. However, reliance on these systems exposes us to risks such as network disruptions, breakdowns, malicious intrusions, and computer viruses. While our systems are hosted on third-party cloud services with high availability and disaster recovery features, there is no assurance against future disruptions or breaches.

Security vulnerabilities could lead to unauthorized access to sensitive data, harm our reputation, and incur significant costs to address cyber or security issues. These breaches may also expose personal and financial information, which could lead to legal

actions and penalties, adversely affecting our business and reputation. Additionally, evolving data protection laws, such as the Information Technology Act, 2000, and the proposed Personal Data Protection Bill, 2019, could impose new compliance requirements. Changes in data protection laws or the introduction of regulations on non-personal data may necessitate modifications to our systems or investments in new technologies to ensure compliance, potentially increasing operational costs.

15. *We are dependent upon the business experience and skill of our promoters and management personnel. Loss of our senior management or our inability to attract or retain such qualified personnel could adversely affect our business, results of operations, and financial condition.*

We believe that our management team plays a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. We believe the stability of our management team and the industry experience brought on by our individual Promoters and Directors enables us to continue to take advantage of future market opportunities. We believe that our management team is well qualified to leverage our market position with their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The loss of the services of our key personnel or our inability to recruit or train sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. If we are unable to hire additional qualified personnel or retain our existing qualified personnel, our ability to expand our business may be impacted. Our Company's profitability, financial condition and results of operations may also be impacted due to lack of experienced and talented workforce.

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

Our revenues are influenced by our marketing plans including advertising. If we adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers or retain existing customers. If our marketing and advertising strategies are unsuccessful, our business and results of operations could be materially adversely affected.

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

17. *We do not own the business premises where our Branch offices and Warehouses are located.*

Our premises in which our Registered Office is situated are owned by us. However, some of the premises used by our Company for our business purposes such as our Branches Offices and warehouses are taken on lease. For more details on properties taken on lease by our Company, see **"Our Business"** on page 106. If any such lease/rent agreements under which we occupy the premises are not renewed on terms and conditions that are favorable to us, or at all, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations. While we have not experienced any issue in renewing the lease arrangement in the past, there can be no assurance that renewal of lease/rent agreements with the owner will be entered into. In the event of non-renewal of lease/rent arrangements, we may be required to shift our business premises to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. Further, the lease agreements entered by our Company may be inadequately stamped or not duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business.

18. *We have significant employee benefit expenses, such as workers' compensation, staff welfare expenses and contribution to provident and other funds. An increase in employee costs in India may prevent us from maintaining our competitive advantage and may reduce our profitability.*

We incur various employee benefit expenses, including worker's compensation, staff welfare expenses and contribution to provident and other funds. Worker's compensation costs may increase in the future if states raise benefit levels and liberalize allowable claims. Our profit margins may get adversely impacted, if we are unable to pass on such costs and cost increases to our clients on a concurrent basis. Unless we are able to continue to increase the efficiency and productivity of our employees,

increase in proportion employees with lower experience, or source talent from other low-cost sources, employee costs increase in the long term may reduce our profit margins.

19. We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.

We are subject to risks arising from fluctuations in foreign exchange rates, which could adversely affect our results of operations. As a company engaged in import activities, we deal with multiple currencies, and such fluctuations can create significant uncertainties impacting our financial performance. These rate changes may affect various aspects of our operations, financial health, and competitive position. Therefore, it is essential for us to develop and implement robust strategies to monitor and manage these foreign exchange risks effectively.

20. Our lenders have charge over our movable and immovable properties in respect of finance availed by us and the Directors have provided their personal guarantee for such debt facility availed by us.

We have secured outstanding debt of 1,409.20 Lakhs as on July 31, 2024 and we have secured our lenders by creating charge over our movable and immovable properties and our group company, promoters and directors have provided their personal guarantee for such debt facility availed by us. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders.

Moreover, in the event that any of these guarantees are revoked by the directors, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

21. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business.

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, and result of operations may be materially and adversely affected.

22. We have availed certain unsecured loans that are recallable by the lenders, subject to the terms and conditions of their grant, at any time

We have availed unsecured loans from Director & personnel(s) of the Company and/or various lenders that is for a long time period and/or recallable on demand. In such cases of being recallable on demand, the lender is empowered to require repayment of the facility at any point in time during the tenor. Additionally, the details and/or documents for amounts availed by the Company in the form of unsecured loan may be insufficiently stamped. In case the loan is recalled on demand by our directors and we are unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As on July 31, 2024, the total amount outstanding for unsecured loan amount is ₹ 599.26 Lakhs.

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

As of July 31, 2024, we have entered into several related party transactions with our related parties including our Directors. In addition, we have in the past also entered into transactions with other related parties. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms' length price and are in compliance with the Companies Act 2013 and the applicable laws.

Further, we confirm that the transactions are not prejudicial to the interest of our Company. A summary of the related party transactions for the period ended July 31, 2024 and Financial Year 2024, 2023 and 2022 as per applicable Ind GAAP is derived from our Restated Financial Statements. For further details, see "**Financial Statement as Restated**" on page 161.. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

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

We benefit from certain general tax regulations and incentives that accord favourable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter *“Statement of Possible Tax Benefits”* on page 91 of this Draft Red Herring Prospectus.

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

25. *Our customers may delay or default in making payments for services rendered by us which could affect our profits, cash flows, and liquidity.*

Cash collection trends and trade receivables have an impact on our cash receipts and, consequently, on our cash flows. Trade receivables constitute a significant portion of our total assets and were ₹2583.17 Lakhs, ₹1585.78 Lakhs, ₹ 1,768.55 Lakhs, and ₹ 1,368.78 Lakhs of our total assets for the period ended July 31, 2024 and Fiscal Years 2024, 2023 and 2022, respectively. Consequently, we face the risk of uncertainty regarding the receipt of these outstanding amounts. An increase in bad debts or defaulting customers may lead to greater usage of our operating working capital and increased interest costs. Successful control of the trade receivables process requires the development of appropriate contracting, invoicing, credit, collection, and financing policies. Our failure to maintain such policies could have an adverse effect on our business, financial condition, and cash flows.

26. *Our Promoter, Director, and certain of the members of our Promoter Group have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.*

Our Promoters, Director, and certain of the members of our Promoter Group may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, Director, and certain members of our Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors, and our members of Promoter Group if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please refer to the sections titled *“Capital Structure”* and *“Our Promoters and Promoter Group”* beginning on pages 57 and 150 respectively of this Prospectus.

27. *The BRLM has relied on declarations and affidavits furnished by some of our directors and Promoters and other individuals for details of their profiles included in this Prospectus.*

Our Promoters and Directors, namely, Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Savita Bansal and Mr. Suresh Kumar Bansal have been unable to trace copies of documents pertaining to their educational qualifications and prior professional experience. Accordingly, reliance has been placed on declarations, undertakings, and affidavits furnished by these Directors to the Book Running Lead Manager to disclose details of their educational qualifications and professional experience in this Prospectus. Accordingly, the BRLM have been unable to independently verify these details prior to inclusion in this Prospectus. Further, there can be no assurances that our directors will be able to trace the relevant documents pertaining to their qualifications and prior experience in the future, or at all.

Therefore, we cannot assure you that all information relating to the experiences of our Promoters and Directors of this Draft Red Herring Prospectus is complete, true and accurate.

28. *The BRLM has also relied on the undertakings furnished by some of our promoters for KYC documents and details of the investment Schedules of the promoter group for the categorization of Promoter group Companies.*

Several members of our Promoter Group, have encountered difficulties in furnishing their KYC documents and investment declarations. As a result, we are currently relying on their formal undertakings concerning their investments and the identification of the promoter group companies.

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

Our Company Secretary and Compliance Officer is associated with the Company for a period of less than one year therefore she may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter *“Our Management”* beginning on page 135 of this Draft Prospectus.

30. *If we fail to successfully identify and respond to changing customer preferences and market developments in a cost-effective and timely manner, our ability to generate revenues and grow our business may be adversely impacted.*

Customer preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. While we strive to offer our customers products that are value for money, there is no certainty that such products would be continued to be preferred by our customers over more expensive substitutes. We continually work to stock new product categories and products, maintain and enhance the recognition of our brands, achieve a favourable mix of products, and refine our approach as to how and where we market and sell our products. While we aim to introduce new products or variants, we recognize that customer tastes cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our customers. Market acceptance of new designs and products is subject to uncertainty and we cannot assure you that our efforts will be successful.

Further we cannot assure you that the new or innovative products that we may introduce in the future will achieve broad market acceptance. If we fail to accurately anticipate technological trends or our end users' needs and preferences, or if we are unable to respond to such trends by introducing and offering cost effective, reliable and user-friendly products, our ability to retain our current, as well as attract new, customers may be impaired, and our ability to generate revenues and grow our business may suffer and may in turn loss our market share. While we aim to introduce new products in a cost-effective and timely manner, they may not gain traction in the market at all, or at anticipated levels, which may adversely affect consumer acceptance of our products and our business and results of operations.

31. *We may be unable to obtain future financing on favorable terms, or at all, to fund expected capital expenditure and working capital requirements.*

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Similarly, our working capital requirements may increase due to various factors including growth in our businesses and longer payment schedules from our clients. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. A disproportionate increase of our working capital requirements may result in increased borrowing costs, which may have an adverse effect on our financial condition and results of operations. Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including: future results of operations, financial condition and cash flows; economic, political conditions and market demand for our services; costs of financing, liquidity and over all condition of financial and capital markets in India and internationally; receipt of applicable business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets. Any such inability could have a material adverse effect on our business and results of operations.

32. *We are subject to various government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected.*

In addition, we have certain obligations under policies imposed and schemes launched by the government that may not be directly beneficial or profitable to our business. Our operations are subject to government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business, marketing our products and for our research and development activities. Many of these approvals are granted for fixed period of time and need renewal from time to time. Two of such Licences have expired and we are in the process of making applications for their renewal namely a) AEO (Authorized Economic Operator) Certificate bearing Registration No. INAABCI1382D1F214 to be issued by Central Board of Indirect Taxes and Customs and b) Registration Certificate for Importer bearing Registration No. IM-20-000-09-AABCI1383D-23 to be issued by Central Pollution Control Board. Non-renewal of the said permits, approvals and licenses at the requisite time may result in interruption of our operations and may adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. While we have obtained key approvals required for our business, we have also applied for, and are awaiting the grant or renewal of certain key approvals. For details of applicable regulations and approvals relating to our business and operations, as well as pending approvals, see "**Government and Other Approvals**" beginning on page 180. The approvals required by our Company are also

subject to various conditions and we cannot assure you that these conditions will be met at all times or that these approvals would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. Further, we are required to meet certain requirements and obligations under policies imposed by and schemes launched by the government and the Bureau of Indian Standards which may involve substantial amount of cost allocation and may not be in line with the best interest of our business in terms of our endeavor to decrease expenditure and increase profitability.

33. We have to update the name of our Company in some of the statutory approvals, certificates, licenses and registrations due to the change of Status of our Company.

The licenses and registration which are in the name of IMS Mercantiles Private Limited have not yet been transferred to IMS Mercantiles Limited. Since our company is converted into a public limited company, we are in the process of converting certain licenses and approvals in the name of our Company. We cannot ensure that we will be able to update the said documents in a timely manner. For more information about the licenses required in our business, please refer section "***Government and Other Approvals***" beginning on page no. 180 of this Draft Prospectus.

34. Our Company has not entered any long-term contracts with any of our customers and we typically operate based on Contracts/ orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our company has built long-standing relationships with a diverse range of customers, and we have been providing products to them for many years. However, we have not formalized these relationships with specific contracts, and instead, we fulfill orders on an order-by-order basis. As a result, customers can discontinue their business with us at any time, without notice and without consequence, which could materially and adversely affect our operations. This lack of contractual agreements means that our revenue may be subject to variability due to fluctuations in customer demand, and we face the risk of customers cancelling, reducing, or delaying orders without obligation.

Our customers, including distributors and direct consumers via platforms like Amazon, are not committed to making regular purchases. Their purchasing decisions are influenced by factors such as product availability, price competitiveness, customer satisfaction, and delivery performance. Although we prioritize quality and strive for timely deliveries, the absence of long-term agreements or commitments means that any changes in order volume or delays in fulfilling orders could negatively impact our revenue and overall profitability.

We may also face challenges related to supply chain disruptions, such as transportation delays, shipping errors, natural disasters, or geopolitical events, all of which can affect our ability to deliver products on time. Any failure to meet delivery expectations, whether due to freight handling issues or unforeseen circumstances, could harm our relationships with customers, tarnish our reputation, and reduce our revenue.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "***Dividend Policy***" on page 160

36. The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.

Our Promoter's average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapters "***Capital Structure***" beginning on page 57.

37. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our Financing risks.

Our management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by it while taking into account the essential components of internal control stated in the Guidance Note on Audit of Internal Financing Controls over Financing Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal Financing controls to ensure the orderly and efficient conduct of our business, including adherence to our policies, the safeguarding of our assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable Financing information, as required under the Companies Act, 2013. Effective internal controls are necessary for us to prepare reliable Financing reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. While we have taken measures to strengthen our internal control system and have conducted audits to review gaps and process weaknesses and implemented the suggested measures, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our Financing risks, and to avoid fraud.

38. *Improper handling of our products, or damage to our products, could damage our reputation and have an adverse effect on our business, results of operations and financial condition.*

Our traded products are subject to risks during their transport or storage. Any shortcoming in the transport or storage of our products due to negligence, human error or otherwise, may damage our products and result in noncompliance with applicable quality standards. Any allegation that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be faulty, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected. We may also be exposed to liability from consumers for defects in the quality of our products.

39. *Our inability to effectively implement our business and growth strategy may have an adverse effect on our operation and growth.*

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition, and results of operations.

40. *We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.*

Since we don't own any vehicles for product transportation, we rely on third-party transportation and logistics providers for these services, introducing our dependency on intermediaries like logistics companies. Notably, we lack long-term contractual arrangements with these third-party providers, exposing us to potential disruptions in logistics that could impair our material procurement and product delivery timelines, thereby significantly impacting our business, operational results, and financial health.

Additionally, the potential loss of one or more third-party transportation providers could result in less favourable terms for alternative providers, leading to increased costs and a subsequently adverse impact on our operating results.

41. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct.

Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

42. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.*

Post this Issue, our Promoter and Promoter Group will collectively majority of our post-issue equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing, or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

RISK RELATED TO OFFER

43. Our Company will not receive any proceeds from the Offer for Sale portion and objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

The Offer includes an offer for sale of up to 12,93,600 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to Selling Shareholders and we will not receive any such proceeds. Our Company intends to primarily use the Net Proceeds of the Fresh Issue for meeting working capital requirements and general corporate purposes, as described in “Objects of the Offer” on page 77. The plans are based on management estimates and such intended use of proceeds has not been appraised by any bank or financial institution. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Any variation in the Objects of the Fresh Issue would require shareholders' approval and may involve considerable time or may not be forthcoming and in such an eventuality it may adversely affect our operations or business.

Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who dissent from our proposal to change the objects of the Offer, at a price and in the manner as specified in Sections 13(8) and 27 of the Companies Act, 2013 and Chapter VI-A of the SEBI ICDR Regulations.

Additionally, the requirement on the Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders may discourage the Promoter or our controlling shareholders from undertaking steps for the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity to the dissenting shareholders at the price specified in the SEBI ICDR Regulations. In light of these factors, we may not be able to undertake any variation in Objects of the Fresh Issue to use any unutilized proceeds of the Fresh Issue even if such variation is in our interest.

This may restrict our ability to respond to any developments in our business or financial condition by re-deploying the unutilized portion of our Net Proceeds, if any, which may adversely affect our business and the results of operations. Additionally, various risks and uncertainties, including those set forth in this section “Risk Factors”, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

44. The proceeds from the Offer for Sale will be paid to the Selling Shareholders.

This Offer is being undertaken as a Fresh Issue of Equity Shares as well as an Offer for Sale of Equity Shares by the Selling Shareholders. Each of the Selling Shareholders has, severally and not jointly, confirmed and authorized the transfer of its respective portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of Selling Shareholders	Number of Equity shares held	Number of Equity shares offered	% of the Pre-Offer paid-up Equity share capital
Mr. Amit Kumar Saraff	40,02,383	3,36,339	25.41
Mr. Deepak Saraf	40,02,383	3,36,339	25.41
Mr. Ankit Saraf	23,09,041	1,94,040	14.66
Ms. Shalu Saraf	23,09,034	1,94,039	14.66
Ms. Savita Bansal	7,79,135	65,474	4.95
Mr. Suresh Kumar Bansal	7,60,200	63,883	4.83

Ms. Preeti Saraf	6,15,762	51,746	3.91
Ms. Simmi Saraf	6,15,692	51,740	3.91

The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise the proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

For further details, see *“The Offer”*, *“Capital Structure”* and *“Objects of the Offer”* on pages 43, 57 and 77 respectively.

45. In the event there is any delay in the completion of the Offer, there would be a corresponding delay in the completion of the objects/schedule of implementation of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section *‘Objects of the Offer’* beginning on page 77 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

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

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed, and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

47. 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 Offer proceeds may delay the implementation schedule.

The proposed fund requirement for our Capital Expenditure and Working Capital requirements, as detailed in the section 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 77 of this Draft Red Herring Prospectus.

48. Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

Any future equity issuances by our Company may lead to the dilution of investors’ shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares, and could significantly impair our future ability to raise capital through offerings of the Equity Shares.

We cannot predict what effect if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

49. Any material deviation in the utilization of Proceeds of the Issue shall be subject to applicable law, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds for raising funds for working capital Requirement and general corporate purpose. For further details of the proposed objects of the Issue, please refer the chapter titled *“Objects of the Issue”* beginning on page 77 of this Draft Red Herring Prospectus. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions,

economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations

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

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

EXTERNAL RISK FACTORS

51. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia, Europe and the United States of America. In particular, the ongoing military conflicts between Russia and Ukraine could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. 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 are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The COVID-19 pandemic significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets. It may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, cash flows, 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. In addition, India has experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, guerilla activity or other types of civil disorder. Acts of violence, terrorist attacks, regional conflicts or situations or war may also adversely affect the financial markets, which may impact our business. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand.

52. Our business is significantly affected by fluctuations in general economic activity.

Demand for manpower is significantly affected by the general level of commercial activity and economic conditions in the regions and sectors in which we operate. An economic downturn in a region or sector in which we operate may adversely affect our operations in that region or sector. Our clients are mainly located in India and any downturn in the Indian market may adversely affect our operations, thereby affecting our business, financial conditions, or results of operations. We may also experience more competitive pricing pressure during periods of economic downturn.

53. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 04, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "CCI"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

54. Investors may not be able to enforce a judgment of a foreign court against our Company outside India.

Our Company is incorporated under the laws of India. A majority of our Company's assets are located in India and all of our Company's Directors, Key Managerial Personnel and Senior Management are residents of 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 against them judgments obtained in courts outside India, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Moreover, 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 Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, United Arab Emirates, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a nonreciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, 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 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 enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. Further, there may be considerable delays in the disposal of suits by Indian courts.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. 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.

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

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

56. We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control which may have an adverse effect on our business and the result of operations.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the Emerge Platform of NSE. Consequently, our business, operations, financial performance, and the market price of our Equity Shares will 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:

- a. any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets
- b. 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
- c. prevailing income conditions among Indian customers and Indian corporations
- d. epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries
- e. macroeconomic factors and central bank regulation, including in relation to interest rate movements which may in turn adversely impact our access to capital and increase our borrowing costs
- f. volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges
- g. decline in India's foreign exchange reserves which may affect liquidity in the Indian economy
- h. downgrading of India's sovereign debt rating by rating agencies; and
- i. difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

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

57. If inflation were to rise in India, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

58. Significant differences exist between Indian Accounting Standards (“Ind AS”) and other accounting principles, such as the generally accepted accounting principles in the US (“US GAAP”) and International Financial Reporting Standards (“IFRS”), which may be material to investors’ assessment of our financial condition.

We have, in this Prospectus, included the Restated Consolidated Financial Information which have been derived from our audited consolidated financial statements as on and for the period ended July 31, 2024 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Consolidated Financial Information, which are restated as per the SEBI ICDR Regulations included in this Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

59. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, that are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm’s length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The foreign investment in our Company is governed by, inter alia, the FEMA, as amended, the FEMA Regulations, the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) effective from October 15, 2020, issued and amended by way of press notes. Under the FDI Policy, subject to compliance with PSARA, our Company is permitted to have FDI up to 74% wherein FDI up to 49% is permitted under the automatic route and beyond 49% and up to 74% is permitted under the government route. Foreign investment in our Company, will be subject to the conditions specified in the FDI Policy. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

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. For further information, see “**Restrictions on Foreign Ownership of Indian Securities**” on page 244. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, results of operations, financial condition and cash flows.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter **“Government and Other Approvals”** on page 180 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

This space is intentionally left blank

**SECTION IV – INTRODUCTION
THE OFFER**

Present Offer in terms of this Draft Red Herring Prospectus:

Particulars	Details
Offer of Equity Shares ⁽¹⁾	Up to 51,72,000 equity shares of face value of ₹ 10.00 each at a price of ₹ [●] per equity share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
The Offer consists of:	
Fresh Offer	Up to 38,78,400 equity shares of face value of ₹ 10.00 each at a price of ₹ [●] per equity share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
Offer for Sale ⁽²⁾	Up to 12,93,600 Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
Reserved for Market Makers	Up to 2,59,200 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
Net Offer to the Public	Up to 49,12,800 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
<i>Out of which:</i>	
A. Allocation to Qualified Institutional Buyers	Not more than [●] Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
<i>Out of which:*</i>	
(a) Anchor Investors	Not more than [●] Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
(b) Net QIB Portion (Assuming Anchor allocation portion is fully subscribed)	Not more than [●] Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share each (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
<i>Out of which:</i>	
(i) Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion)	Not more than [●] Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
(ii) Balance QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
B. Allocation to Non-Institutional Investors	At least [●] Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
C. Allocation to Retail Individual Investor	At least [●] Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh.
Equity Shares outstanding prior to the Offer	1,57,48,389 Equity Shares of ₹ 10.00 each
Equity Shares outstanding after the Offer	[●] Equity Shares of ₹ 10.00 each
Object of the Offer/ Use of Offer Proceeds	For details, please refer chapter titled “ <i>Objects of The Offer</i> ” beginning on Page no. 77 of this Draft Red Herring Prospectus. Our Company will not receive any proceeds from the Offer for Sale.

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

⁽¹⁾ The Offer has been authorized by a resolution passed by our Board of Directors pursuant to the resolutions passed at its meeting held on August 16, 2024 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on August 16, 2024.

⁽²⁾ The Selling Shareholder has confirmed and approved their participation in the Offer for Sale as set out below:

Name of the Selling Shareholders	Number of equity shares held	Number of Equity Shares offered in the Offer for Sale	Date of consent letters
Mr. Amit Kumar Saraff	40,02,383	3,36,339	September 09, 2024
Mr. Deepak Saraf	40,02,383	3,36,339	September 09, 2024
Mr. Ankit Saraf	23,09,041	1,94,040	September 09, 2024
Ms. Shalu Saraf	23,09,034	1,94,039	September 09, 2024
Ms. Savita Bansal	7,79,135	65,474	September 09, 2024
Mr. Suresh Kumar Bansal	7,60,200	63,883	September 09, 2024
Ms. Preeti Saraf	6,15,762	51,746	September 09, 2024
Ms. Simmi Saraf	6,15,692	51,740	September 09, 2024

Our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to resolutions dated August 16, 2024. Each of the Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion of the Offered Shares has been held by such Selling Shareholders for a continuous period of at least one year prior to the filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled “Other Regulatory and Statutory Disclosures” beginning on page 190.

(3) 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. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

(4) In the event of an under-subscription in the offer and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLM shall first ensure Allotment of Equity Shares offered pursuant to the Fresh Offer by the Offeror.

(5) The SEBI ICDR Regulations permit the offer 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 Retail 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.

(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 and Promoter Selling Shareholders in consultation with the Book Running Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

For further details, including in relation to grounds for rejection of Bids, see “Offer Structure” and “Offer Procedure” on pages 239 and 211, respectively. For further details of the terms of the Offer, see “Terms of the Offer” on page 203

This space intentionally left blank.

SUMMARY OF OUR FINANCIAL INFORMATION

IMS Mercantiles Limited (formerly known as IMS Mercantiles Private Limited)					
CIN: U51395DL2003PLC121932					
Restated Balance sheet					(₹ in Lakhs)
Particulars	No	As at			
		July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	1,574.84	219.92	219.92	219.92
Reserves and surplus	4	2,385.49	3,003.24	1,996.42	1,512.07
		3,960.33	3,223.16	2,216.34	1,731.98
Non-current liabilities					
Long-term Borrowings	5	694.15	722.93	938.37	982.04
Long-term Provisions	6	225.03	222.48	196.26	176.93
Current liabilities					
Short-term borrowings	7	1,314.32	1,328.95	1,269.88	1,003.67
Trade payables	8				
Total outstanding dues of Micro enterprises and Small Enterprises		16.99	2.97	99.50	261.96
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		3.33	401.01	701.02	567.38
Other current liabilities	9	745.86	398.05	240.65	272.36
Short-term provisions	10	550.65	112.07	33.75	27.27
		3,550.35	3,188.47	3,479.42	3,291.60
Total		7,510.68	6,411.62	5,695.76	5,023.59
ASSETS					
Non-current assets					
Property, Plant and Equipment	11	580.98	598.43	525.35	503.77
Deferred Tax Assets (Net)	12	52.14	59.06	45.42	35.99
Long-term loans and advances			-	-	12.80
Other Non current Assets	13	8.42	8.25	5.93	5.29
		641.54	665.74	576.70	557.84
Current assets					
Inventories	14	2,241.88	2,402.57	2,005.88	1,902.31
Trade receivables	15	2,583.17	1,585.78	1,768.55	1,368.78
Cash and Cash equivalents	16	190.12	382.23	166.09	447.38
Short-term loans and advances	17	1,853.88	1,350.53	1,171.83	743.39
Other current assets	18	0.09	24.78	6.71	3.89
		6,869.14	5,745.89	5,119.05	4,465.75
Total		7,510.68	6,411.62	5,695.75	5,023.58
Summary of significant accounting policies	2				

IMS Mercantiles Limited (Formerly Known as IMS Mercantiles (P) Ltd)					
CIN: U51395DL2003PLC121932					
Restated Statement of Profit and Loss:					(₹ in Lakhs)
Particulars	Note No.	For the period ended July 31, 2024	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue					
Revenue from operations	19	6,708.48	17,610.59	13,484.15	12,790.86
Other income	20	34.43	108.42	62.82	32.02
Total Income		6,742.91	17,719.00	13,546.97	12,822.88
Purchases of stock in trade	21	4,327.18	11,423.69	8,809.99	8,398.43
Changes in inventories of stock in trade	22	160.69	(396.69)	(103.57)	(47.84)
Employee Benefit Expense	23	357.41	1,054.94	859.99	736.78
Finance costs	24	61.00	257.00	197.69	184.30
Depreciation and amortisation expense	11	17.70	58.98	51.94	46.98
Other Expenses	25	1,215.49	3,970.01	3,084.12	2,855.30
Profit before exceptional and extraordinary items and tax		603.45	1,351.07	646.81	648.93
Exceptional items		-	-	-	-
Profit before extraordinary items and tax		603.45	1,351.07	646.81	648.93
Extraordinary items					-
Profit Before Tax		603.45	1,351.07	646.81	648.93
Tax expense:					
Less : Current Tax Expense		151.88	(357.89)	(176.29)	(174.68)
Less : Deferred Tax Charge/(Credit)		6.91	(13.63)	(9.44)	(8.95)
Excess/Short provision relating to previous year				(4.40)	-
Profit for the period		444.66	1,006.82	484.36	483.21
<u>Earning Per Equity share</u>					
- Basic	26	2.88	45.78	22.02	21.97
- Diluted	26	2.88	45.78	22.02	21.97
Summary of significant accounting policies	2				

The accompanying notes form an integral part of the Restated financial statements.

IMS Mercantiles Limited (Formerly Known as IMS Mercantiles Private Limited)					
CIN: U51395DL2003PLC121932					
Restated Cashflow Statement:					(₹ in Lakhs)
Particulars	Not e No.	For the period ended	For the Year ended		
		July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
A. Cash flows from Operating activities					
Profit before extraordinary items and tax		603.45	1,351.07	646.81	648.93
Adjustments for non-cash expenses/(income)					
Interest Expenses		54.42	242.22	183.05	167.78
Depreciation and amortisation expense		17.70	58.98	51.94	46.98
Provision for doubtful debtors		-	18.95	2.96	4.19
Unrealised Foreign Exchange (Gains)/Losses		-	(2.97)	-	(2.76)
Loss on sale of property, plant and equipment		-	0.36	0.02	-
Interest Income		(0.89)	(6.78)	(5.10)	(7.63)
Operating profit before changes in working capital		674.67	1,661.83	879.69	857.50
Adjustments for working capital changes					
Decrease/(Increase) in Inventory		160.69	(396.69)	(103.57)	(47.84)
Decrease/(Increase) in Trade Receivables		(997.40)	163.82	(402.74)	259.14
Decrease/(Increase) in Loans & Advances		(453.35)	(178.70)	(415.65)	(329.63)
Decrease/(Increase) in Other Assets		24.52	(20.39)	(3.45)	16.31
Increase/(Decrease) in Trade payables		(383.66)	(393.56)	(28.83)	24.37
Increase/(Decrease) in Other Current Liabilities		347.82	157.40	(31.71)	(252.76)
Increase/(Decrease) in Provisions		289.25	104.56	25.80	25.13
Total adjustments for working capital		(1,012.12)	(563.57)	(960.13)	(305.28)
Net cash flows from (used in) operations		(337.45)	1,098.26	(80.45)	552.23
Income taxes paid (net of refund)		(50.00)	(357.89)	(171.89)	(174.68)
Net cash flows from Operating Activities	(A)	(387.45)	740.37	(252.34)	377.55
B. Cash flows from Investing activities					
Purchase of property, plant & equipments including capital advances		(0.72)	(133.62)	(73.80)	(58.71)
Sale of property, plant & equipments		0.47	1.21	0.25	-
Adjustment for (Increase)/Decrease of non current assets					
Interest Received		0.89	6.78	5.10	7.63
Net cash flows from/(used in) Investing Activities	(B)	0.64	(125.63)	(68.45)	(51.09)
C. Cash flows from Financing activities					
Proceeds/(Repayments) of Short term borrowings		(14.64)	92.23	255.45	(139.99)
Proceeds/(Repayments) of Long term borrowings		(28.77)	-	66.42	-
Proceeds from Issue of Share Capital		292.51	(248.61)	(99.33)	(146.70)
Interest paid		(54.42)	(242.22)	(183.05)	(167.78)
Net cash flows from Financing Activities	(C)	194.68	(398.59)	39.49	(454.47)
Net Increase/(Decrease) in Cash and cash equivalents (A+B+C)		(192.12)	216.15	(281.29)	(128.00)
Cash and cash equivalents at beginning of period		382.23	166.09	447.38	575.40
Cash and cash equivalents at end of period		190.11	382.24	166.09	447.39

This space has been intentionally left blank

SECTION V – GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation offered by the Registrar of Companies, N.C.T. of Delhi and Haryana dated August 26, 2003, with the name ‘IMS Mercantiles Private Limited’ bearing Corporate Identification Number U51395DL2003PTC121932. Subsequently our Company was converted into a limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 31, 2024 and the name of our Company was changed from “IMS Mercantiles Private Limited” to “IMS Mercantiles Limited”. A fresh Certificate of Incorporation was granted to our Company consequent upon conversion into public limited company dated August 05, 2024 bearing Corporate Identification Number U51395DL2003PLC121932 by the Registrar of Companies, Central Processing Centre. At present, the registered office of the Company is situated at 704, 7th Floor, Ring Road Mall Sector-3, Rohini, Delhi 110085, India. For details of change in name and registered office of our Company, please refer to chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page no. 130 of this Draft Red Herring Prospectus.

For details of changes in registered offices of our Company, please refer to the section titled “*Our History and Certain Other Corporate Matters*” beginning on page 130 of this Draft Red Herring Prospectus. Further, for details in relation to the business of our Company, please refer to the section titled “*Our Business*” on page 106.

Registered Office	704, 7th Floor, Ring Road Mall Sector-3, Rohini, Delhi 110085, India. Telephone: +91-11-47074444 E-mail: info@digitek.net.in Website: www.digitek.net.in	
CIN	U51395DL2003PLC121932	
Company Category	Company limited by Shares	
Company Subcategory	Non- Government Company	
Date of Incorporation	August 26, 2003	
Registrar of Companies	Registrar of Companies, Delhi A/4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019 Tel. No.: +91-11-26235703 Email: roc.delhi@mca.gov.in Website: www.mca.gov.in	
Company Secretary and Compliance Officer	Ms. Soniya Agrawal 704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India. Telephone: +91-11-47074444 E-mail: cs@digitek.net.in Website: www.digitek.net.in	
Chief Financial Officer	Ms. Shalu Saraf 704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India. Telephone: +91-11-47074444 E-mail: cfo@digitek.net.in Website: www.digitek.net.in	
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited Address: Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051	
Bid/ Offer Programme	Bid/ Offer Opens On: [●]	Bid/ Offer Closes On: [●]
	Anchor Investors Bidding Date: [●]	

Note: Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Offer Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.

INVESTOR GRIEVANCES

Investors can contact the Company Secretary and Compliance Officer or the Book Running Lead Managers 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 Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

All Issue 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 to whom the Application Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, UPI ID, PAN, date of submission of the Application Form, address of the Applicant, number of Equity Shares applied for, the name and




address of the Designated Intermediary where the Application Form was submitted by the Applicant and ASBA Account number (for Applicants other than RIIs using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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 three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue book running lead managers are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for, name and address of the Book Running Lead Managers, unique transaction reference number, the name of the relevant bank, Application Amount paid on submission of the Application Form and the name and address of the Book Running Lead Managers where the Application Form was submitted by the Anchor Investor.

DETAILS OF INTERMEDIARIES PERTAINING TO THIS OFFER AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>Share India Capital Services Private Limited Address: A-15, Basement, Sector-64, Gautam Buddha Nagar, Noida – 201301, Uttar Pradesh, India Tel No.: +91-120-4910000 Fax No.: N.A. Email: kunal.bansal@shareindia.co.in Investors Grievance E-mail: mb@shareindia.com Contact Person: Mr. Kunal Bansal Website: www.shareindia.com SEBI Registration No.: INM000012537 CIN: U65923UP2016PTC075987</p>	 <p>MAS SERVICES LIMITED SEBI Registration Number: INR000000049 Address: T-34, 2nd Floor, Okhla Industrial Area, Phase-2, New Delhi-110020, India. Tel. No: 011-26387281-83, 011-41320335 Email: ipo@masserv.com Investor Grievance Email: investor@masserv.com Website: www.masserv.com Contact Person: Mr. N.C PAL CIN: U74899DL1973PLC006950</p>
PEER REVIEW/ STATUTORY AUDITORS	LEGAL ADVISOR TO THE OFFER
<p>M/s. Gupta Jalan & Associates, Chartered Accountants Address: 405 Crown Heights, Sector -10, Rohini, New Delhi -110085, India. Tel. No.: +91 9899634636 Email Id: caankittodi@gmail.com Contact Person: Mr. Ankit Todi Firm Registration No: 003721N Membership No: 520410 Peer Review No.: 018060</p>	 <p>Kartikeya & Associates Address: 105, Arcadia, 195 Nariman Marg, Nairman Point 400021 Tel. No.: +91 9820744358 Email id: contact@kartikeyaandassociates.com Contact Person: Mr. Kartikeya Desai Registration No.: 8612</p>
BANKERS TO THE COMPANY	MARKET MAKERS

 HDFC BANK	 Share India <i>You generate, we multiply</i>
HDFC Bank Limited Address: HDFC Bank House, Senapati Bapat Marg, Lower Parel West, Mumbai- 400013, Maharashtra. Tel. No.: +91-02230752892 Fax No: 91-02230752892 Email Id: sebicompliance@hdfc.com Website: www.hdfcbank.com Contact Person: Mr. Patesh Soni CIN: L65920MH1994PLC080618	Share India Securities Limited Address: Unit No. 615 and 616, 6th Floor, X-change Plaza, Dalal Street Commercial Co-operative Society Limited, Road 5 E, Block -53, Zone 5, Gift City, Gandhinagar, Gujarat-382355. Tel No.: +91-120-4910000 Email Id: vikas_cs@shareindia.com Website: www.shareindia.com Contact Person: Mr. Vikas Aggarwal SEBI Registration No.: INZ000178336
BANKER TO THE OFFER	
[•]	

BOARD OF DIRECTORS OF OUR COMPANY

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

Sr. No.	Name	Age	Designation	DIN	Address
1.	Mr. Amit Kumar Saraff	45 Years	Chairman and Managing Director	00450475	D-157, Antriksh Apartment, 7 th Floor, Sector-14, Rohini, Delhi-110085.
2.	Mr. Deepak Saraf	41 years	Whole-time Director	01055425	D-145, Antriksh Apartment, Sector-14, Rohini, Delhi-110085
3.	Ms. Shalu Saraf	36 Years	CFO & Executive Director	10002853	C-109, Antriksh Apartment, Sector-14, Rohini, Delhi-110085.
4.	Mr. Ankit Saraf	33 Years	Non- Executive Director	06562193	C-109, Antriksh Apartment, Sector-14, Rohini, Delhi - 110085
5.	Mr. Ankit Chamoli	35 Years	Independent Director	06795523	A-101, Hill Apartment, Sector-13, Rohini, Delhi-110085
6.	Mr. Ankush Kumar Chokhani	34 Years	Independent Director	10382644	B-362, 1st Floor, Gali No. 04, Majlis Park, Adarsh Nagar, Delhi-110033

For detailed profile of our Board of Directors, please see the chapter titled “*Our Management*” on page 135 of the Draft Red Herring Prospectus.

CHANGES IN AUDITORS DURING THE LAST THREE YEARS

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

Sr. No.	Particulars of the Previous Auditors	Particulars of the New Auditor	Effective Date	Reason
1	Agarwal Preeti & Associates, Chartered Accountant 201/7, Aditya Commercial Complex, Central Market D Block, Prashant Vihar, New Delhi 110085 Email Id: capreetiagarwal@outlook.com Contact Person: Preeti Agarwal FRN: 031194N	Gupta Jalan And Associates, Chartered Accountant 405, Crown Heights, (Hotel Crowne Plaza Complex) Plot No., 3B/1, Twin District Centre, Sec 10, Rohini, Delhi 110085 Email Id: mjalan@gmail.com	May 17, 2024	Due to Some unavoidable reason

	Membership No: 541419	Contact Person: Ankit Todi FRN: 003721N Membership No: 520410		
--	------------------------------	---	--	--

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

The Offer Document 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 Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the ROC Delhi at A/4th Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019.

SELF-CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link. <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Applications can be submitted by RIIs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Applications, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS

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

REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18for> CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Share India Capital Services Private Limited is the sole Book Running Lead Manager to the Offer, all the responsibility of the offer will be managed by them.

CREDIT RATING

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

GREEN SHOE OPTION

No Green Shoe option is applicable for this offer.

IPO GRADING

Since the Offer is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

BROKERS TO THE OFFER

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

DEBENTURE TRUSTEE

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

EXPERT OPINION

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

Our Company has received written consent dated September 09, 2024 from Statutory and Peer Review Auditor namely, M/s Gupta Jalan & Associates, Chartered Accountants (FRN: 003721N), and written consent dated September 27, 2024 from Advocate Mr. Kartikeya G. Desai namely, M/s. Kartikeya and Associates, (Registration no.: 8612) respectively, to include their name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act 2013. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "**experts**" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

The Peer Review Auditor M/s Gupta Jalan & Associates, Chartered Accountants has given its Audit report as included in this Draft Red Herring Prospectus, in relation to the Restated Financial Statements dated October 17, 2024 and the statement of Special Tax Benefits dated October 20, 2024.

Further, Advocate Mr. Kartikeya G Desai has given his legal due diligence report, as included in this Draft Red Herring Prospectus, in relation to the "**Outstanding Litigations and Material Developments**" dated December 02, 2024.

Aforementioned consents have 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. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is only of ₹ [●] Lakhs, Our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

BOOK BUILDING PROCESS

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus/ Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLM, and will be advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper and [●] editions in regional language where our Registered Office is located, each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date. The Offer Price shall be finalized after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through UPI in the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

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

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company has appointed the BRLM to manage this Offer and procure Bids for this Offer. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Offer.

Bidders should note that this Offer is also subject to obtaining (i) final approval of the ROC after the Prospectus is filed with the ROC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled “*Offer Structure*” and “*Offer Procedure*” beginning on pages 239 and 211 respectively of this Draft Red Herring Prospectus.

ILLUSTRATION OF BOOK BUILDING PROCESS AND THE PRICE DISCOVERY PROCESS

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “*Offer Procedure*” on page 211 of this Draft Red Herring Prospectus.

UNDERWRITING AGREEMENT

Our Company and BRLM to the offer hereby confirm that the Offer is 100% Underwritten. The Underwriting agreement is dated September 19, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters 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, Fax, and Email of the Underwriter	Indicative No. of Equity Shares to Be Underwritten*	Amount Underwritten	% of the Total Offer Size Underwritten
--	--	----------------------------	---

		(Amount in ₹ Lakh)	
Share India Capital Services Private Limited A-15, Basement, Sector - 64, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301 Tel.: +91 0120-4910000 Investor grievance id: mb@shareindia.com Email: kunal.bansal@shareindia.co.in Website: www.shareindia.com Contact person: Mr. Kunal Bansal SEBI registration number: INM000012537	Up to 51,72,000	[●]	100.00%

**Includes 2,59,200 Equity shares of ₹ 10.00 each for the cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Share India Securities Limited vide their agreement dated September 19, 2024 in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations, 2018 as amended.*

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

FILING OF PROSPECTUS

A soft copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246(1) of SEBI (ICDR) Regulations. Pursuant to Regulation 246(2) of SEBI ICDR Regulations, the SEBI shall not issue any observation on the offer document.

A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the Registrar of Companies, at least (3) three working days prior from the date of opening of the Offer.

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 to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE EMERGE 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.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company, Selling Shareholders and the BRLM have entered into a tripartite agreement dated September 19, 2024 with Share India Securities Limited, the Market Maker for this Offer, duly registered with NSE EMERGE to full fill the obligations of Market Making:

Name	Share India Securities Limited
Registered Address	Unit No. 615 and 616, 6th Floor, X-change Plaza, Dalal Street Commercial Co-operative Society Limited, Road 5 E, Block -53, Zone 5, Gift City, Gandhinagar, Gujarat-382355
Corporate Address	A-15, Basement, Sector-64. Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301
Telephone	+91 0120-4910000
Investor grievance Email Id	info@shareindia.com
Contact Person	Mr. Vikas Aggarwal
Email Id	vikas_cs@shareindia.com
Website	www.shareindia.com
SEBI Registration Number	INZ000178336

The Market Maker shall full fill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.
3. In terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Issue). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.
4. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
5. There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.
6. The Market Maker shall not selling lots less than the minimum contract size allowed for trading on the EMERGE Platform of NSE and the same may be changed by the EMERGE Platform of NSE from time to time.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by them.
8. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on EMERGE Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
9. The Market Maker shall start providing quotes from the day of the listing/ the day when designated as the Market Maker for their respective scrip and shall be subject to the guidelines laid down for market making by the SME Exchange.
10. 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.
11. Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of IMS Mercantiles or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
12. The Promoters' holding in IMS Mercantiles Equity Shares shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding in IMS Mercantiles which is not locked-in as per the SEBI (ICDR) Regulations, as amended, can be traded with prior permission of the **EMERGE Platform of NSE**, and in the manner specified by SEBI from time to time.
The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Company at any particular level and is purely supposed to facilitate liquidity on the counter of IMS Mercantiles via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
13. **Risk containment measures and monitoring for Market Makers:** EMERGE Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
14. **Punitive Action in case of default by Market Maker:** EMERGE Platform of NSE 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 Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/

suspension for any type of misconduct/ manipulation/ other irregularities by the Market Makers from time to time.

Price Band and Spreads:

The SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The 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.

The following spread will be applicable on the EMERGE Platform of NSE.

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

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

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

The Marketing 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.

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.

This space has been left blank intentionally

SECTION VI – CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

Sr. No	Particulars	Amount in ₹ Lakhs	
		Aggregate Value at Face Value	Aggregate Value at Offer Price ⁽³⁾
A.	Authorised Share Capital		
	2,25,00,000 Equity Shares having face value of ₹ 10.00 each	2,250.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,57,48,389 Equity Shares having face value of ₹ 10.00 each	1,574.84	--
C.	Present Offer in terms of the Draft Red Herring Prospectus⁽¹⁾		
	Up to 51,72,000* Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share	517.20	[●]
	Consisting of:		
	(a) Fresh Offer of up to 38,78,400 equity shares of face value of ₹ 10.00 each at an Offer price ₹ [●] per share including a premium of ₹ [●] per share	387.84	[●]
	(b) Offer for Sale of up to 12,93,600 Equity Shares of face value of ₹ 10.00 each at an Offer price ₹ [●] per share including a premium of ₹ [●] per share	129.36	[●]
	Of which:		
	Reservation for Market Maker up to 2,59,200 Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	25.92	[●]
	Net Offer to the Public up to 49,12,800 Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share	491.28	[●]
	Of which:		
I.	Allocation to Qualified Institutional Buyer – [●] Equity Shares of face value of ₹ 10.00 each at an Offer Price of ₹ [●] per Equity Share	[●]	[●]
	(a) Anchor Investor Portion- Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)- Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid-up for cash at price of ₹ [●] lakhs.	[●]	[●]
	Of which:		
	(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)- Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	(ii) Balance of QIB Portion for all QIBs including Mutual Funds- Up to [●] Equity Shares of face value of ₹ 10.00 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
II.	Allocation to Retail Individual Investors – [●] Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share shall be available for allocation for Investors	[●]	[●]
III.	Allocation to Non-Institutional Investors – [●] Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share shall be available for allocation for Investors applying for a value of above ₹ 2.00 Lakhs.	[●]	[●]
D.	Offered, Subscribed and Paid-up Share Capital after the Offer		
	Up to [●] Equity Shares having face value of ₹ 10.00 each		[●]
E.	Securities Premium Account		
	Before the Offer	444.23	
	After the Offer		[●]

*Number of Shares to be offered may need to be modified before filing with ROC for adjustment of Lot Size upon finalization of Offer Price.

- (1) The present offer has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated August 16, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the EGM of our shareholders held on August 16, 2024.

The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated September 09, 2024.

Name of Selling Shareholders	Number of Equity shares held	Number of Equity shares offered	% of the Pre-Offer paid-up Equity share capital
Mr. Amit Kumar Saraff	40,02,383	3,36,339	25.41
Mr. Deepak Saraf	40,02,383	3,36,339	25.41
Mr. Ankit Saraf	23,09,041	1,94,040	14.66
Ms. Shalu Saraf	23,09,034	1,94,039	14.66
Ms. Savita Bansal	7,79,135	65,474	4.95
Mr. Suresh Kumar Bansal	7,60,200	63,883	4.83
Ms. Preeti Saraf	6,15,762	51,746	3.91
Ms. Simmi Saraf	6,15,692	51,740	3.91

- (2) 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, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations, and guidelines.
- (3) Each of the Selling Shareholders, severally and not jointly, confirms that the Offered Shares held by them respectively, are eligible for being offered for sale in the Issue as required under Regulation 8 of the SEBI ICDR Regulations. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 43 and 190 respectively
- (4) To be finalized upon determination of the Offer Price.

CLASS OF SHARES

Our Company has only one class of share capital i.e. Equity Shares of the face value of ₹ 10.00 each only. All Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of increase in authorized share capital:

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

Sr. No.	Date of Meeting	Cumulative Number of Shares	Face Value (in ₹)	Cumulative Authorised Share Capital (₹ in Lakhs)	Whether AGM/ EGM
1	On Incorporation	5,00,000	10.00	50.00	N.A.
2	October 01, 2007	10,00,000	10.00	100.00	EGM
3	February 23, 2009	15,00,000	10.00	150.00	EGM
4	February 13, 2012	25,00,000	10.00	250.00	EGM
5	May 31, 2024	1,60,00,000	10.00	1600.00	EGM
6	June 26, 2024	2,25,00,000	10.00	2250.00	EGM

2. History of Equity Share Capital of our Company

Date of Allotment	No. of Equity Shares allotted	Face value	Offer Price	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Equity Paid-up Equity Capital (₹ in Lakhs)
		(in ₹)	(in ₹)				
Upon Incorporation (August 26, 2003)	10,000	10.00	10.00	Cash	Subscription to MOA ⁽¹⁾	10,000	1.00
January 30, 2004	35,490	10.00	10.00	Cash	Further Allotment ⁽²⁾	45,490	4.55
February 27, 2004	2,100	10.00	10.00	Cash	Further Allotment ⁽³⁾	47,590	4.76
August 07, 2004	1,52,500	10.00	10.00	Cash	Further Allotment ⁽⁴⁾	2,00,090	20.01
March 15, 2005	12,200	10.00	10.00	Cash	Further Allotment ⁽⁵⁾	2,12,290	21.23
April 30, 2006	1,90,000	10.00	10.00	Cash	Further Allotment ⁽⁶⁾	4,02,290	40.23
June 29, 2006	2,710	10.00	10.00	Cash	Further Allotment ⁽⁷⁾	4,05,000	40.50
February 14, 2007	72,500	10.00	20.00	Cash	Further Allotment ⁽⁸⁾	4,77,500	47.75
March 06, 2008	2,98,500	10.00	20.00	Cash	Further Allotment ⁽⁹⁾	7,76,000	77.60
March 28, 2008	36,000	10.00	20.00	Cash	Further Allotment ⁽¹⁰⁾	8,12,000	81.20
February 16, 2009	1,38,850	10.00	20.00	Cash	Further Allotment ⁽¹¹⁾	9,50,850	95.09
March 30, 2009	43,500	10.00	20.00	Cash	Further Allotment ⁽¹²⁾	9,94,350	99.44
March 31, 2009	80,750	10.00	20.00	Cash	Further Allotment ⁽¹³⁾	10,75,100	107.51
May 11, 2009	75,000	10.00	20.00	Cash	Further Allotment ⁽¹⁴⁾	11,50,100	115.01
May 25, 2009	50,000	10.00	20.00	Cash	Further Allotment ⁽¹⁵⁾	12,00,100	120.01
October 29, 2010	56,500	10.00	20.00	Cash	Further Allotment ⁽¹⁶⁾	12,56,600	125.66
March 21, 2011	1,53,750	10.00	20.00	Cash	Further Allotment ⁽¹⁷⁾	14,10,350	141.04
March 23, 2012	2,20,000	10.00	20.00	Cash	Further Allotment ⁽¹⁸⁾	16,30,350	163.04
March 28, 2013	2,09,000	10.00	20.00	Cash	Further Allotment ⁽¹⁹⁾	18,39,350	183.94
April 08, 2013	40,000	10.00	20.00	Cash	Further Allotment ⁽²⁰⁾	18,79,350	187.94
February 08, 2014	1,65,000	10.00	20.00	Cash	Further Allotment ⁽²¹⁾	20,44,350	204.44
February 27, 2015	1,54,800	10.00	25.00	Cash	Rights Issue ⁽²²⁾	21,99,150	219.92
June 01, 2024	1,31,94,900	10.00	-	Consideration other than	Bonus Issue ⁽²³⁾	1,53,94,050	1,539.41
July 08, 2024	3,54,339	10.00	82.55	Cash	Private Placement ⁽²⁴⁾	1,57,48,389	1,574.84

Note:

- ⁽¹⁾ Initial Subscribers to Memorandum of Association hold 10,000 Equity Shares each of face value of ₹ 10.00 fully paid up as per the details given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	7,500
2.	Mr. Suresh Saraf	2,500
	Total	10,000

- ⁽²⁾ Further Allotment of 35,490 Equity Shares each of face value of ₹ 10.00 each on January 30, 2004 at issue price of ₹ 10.00 each, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	20,800
2.	Mr. Suresh Saraf	14,690
	Total	35,490

- ⁽³⁾ Further Allotment of 2100 Equity Shares each of face value of ₹ 10.00 each on February 27, 2004 at issue price of ₹ 10.00 each, for consideration other than cash, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Ms. Meera Agarwal	1,000
2.	Mr. Sudhir Gadia	1,000
3.	Mr. Sunil Goel	100
	Total	2,100

- ⁽⁴⁾ Further Allotment of 1,52,500 Equity Shares each of face value of ₹ 10.00 each on August 07, 2004 at issue price of ₹ 10.00 each, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Suresh Saraf	89,000
2.	Mr. Deepak Saraf	1,500
3.	M/s Vijay Amit Deepak HUF	31,000
4.	M/s Vijay Kusum Deepak HUF	31,000
	Total	1,52,500

- ⁽⁵⁾ Further Issue of 12,200 Equity Shares each of face value of ₹ 10.00 each on March 15, 2005 at issue price of ₹ 10.00 each, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	12,200
	Total	12,200

- ⁽⁶⁾ Further Allotment of 1,90,000 Equity Shares each of face value of ₹ 10.00 each on April 30, 2006 at issue price of ₹ 10.00 each, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	1,00,000
2.	Mr. Suresh Saraf	90,000
	Total	1,90,000

- ⁽⁷⁾ Further Allotment of 2,710 Equity Shares each of face value of ₹ 10.00 each allotted on June 29, 2006 at issue price of ₹10.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Deepak Saraf	2,710
	Total	2,710

- ⁽⁸⁾ Further Allotment of 72,500 Equity Shares each of face value of ₹ 10.00 each allotted on Feb 14, 2007 at issue price of ₹20.00, the details of which is given below

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	32,500
2.	Mr. Suresh Saraf	40,000
	Total	72,500

- ⁽⁹⁾ Further Allotment of 2,98,500 Equity Shares each of face value of ₹ 10.00 each allotted on March 06, 2008 at issue price of ₹20.00 the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	1,15,500
2.	Mr. Suresh Saraf	1,27,250
3.	Mr. Deepak Saraf	10,750
4.	Ms. Anita Saraf	11,750
5.	Ms. Simmi Saraf	20,750
6.	Ms. Shalu Saraf	12,500
	Total	2,98,500

- ⁽¹⁰⁾ Further Allotment of 36,000 Equity Shares each of face value of ₹ 10.00 each allotted on March 28, 2008 at issue price of ₹20.00 the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Suresh Saraf	3,500
2.	Ms. Anita Saraf	32,500
	Total	36,000

- ⁽¹¹⁾ Further Allotment of 1,38,850 Equity Shares each of face value of ₹ 10.00 each allotted on February 16, 2009 at issue price of ₹20.00 the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	3,750
2.	Mr. Deepak Saraf	6650
3.	Ms. Anita saraf	1,05,000
4.	Ms. Shalu Saraf	9,500
5.	Ms. Simmi Saraf	7,250
6.	Ms. Swati Saraf	6,700
	Total	1,38,850

- ⁽¹²⁾ Further Allotment of 43,500 Equity Shares each of face value of ₹ 10.00 each allotted on March 30, 2009 at issue price of ₹20.00 the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Ms. Anita Saraf	22,500
2.	Mr. Deepak Saraf	21,000
	Total	43,500

- ⁽¹³⁾ Further Allotment of 80,750 Equity Shares each of face value of ₹ 10.00 each allotted on March 31, 2009 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
--------	------------------	------------------------

1.	Mr. Amit Kumar Saraff	7,000
2.	Mr. Deepak Saraf	7,500
3.	Ms. Anita Saraf	42,500
4.	Ms. Simmi Saraf	5,000
5.	Ms. Swati Saraf	5,000
6.	Ms. Megha Saraf	6,250
7.	Mr. Vijay Saraf	7,500
	Total	80,750

- ⁽¹⁴⁾ Further Allotment of 75,000 Equity Shares each of face value of ₹ 10.00 each allotted on May 11, 2009 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Suresh Kumar Bansal	75,000
	Total	75,000

- ⁽¹⁵⁾ Further Allotment of 50,000 Equity Shares each of face value of ₹ 10.00 each allotted on May 25, 2009 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Ms. Savita Bansal	50,000
	Total	50,000

- ⁽¹⁶⁾ Further Allotment of 56,500 Equity Shares each of face value of ₹ 10.00 each allotted on October 29, 2010 at issue price of ₹ 20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Deepak Saraf	27,500
2.	Mr. Vijay Saraf	10,000
3.	Ms. Savita Bansal	19,000
	Total	56,500

- ⁽¹⁷⁾ Further Allotment of 1,53,750 Equity Shares each of face value of ₹ 10.00 each allotted on March 21, 2011 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Mr. Deepak Saraf	25,000
2.	Ms. Anita Saraf	17,500
3.	Ms. Simmi Saraf	10,000
4.	Ms. Megha Saraf	15,500
5.	Mr. Vijay Saraf	17,500
6.	Ms. Kusum Lata Saraf	42,000
7.	Mr. Ankit Saraf	26,250
	Total	1,53,750

- ⁽¹⁸⁾ Further Allotment of 2,20,000 Equity Shares each of face value of ₹ 10.00 each allotted on March 23, 2012 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1	Mr. Amit Kumar Saraff	25,000
2	Mr. Deepak Saraf	9,500

3	Ms. Shalu Saraf	37,500
4	Ms. Simmi Saraf	30,000
5	Ms. Megha Saraf	37,500
6	Mr. Vijay Saraf	21,000
7	Ms. Savita Bansal	25,000
8	Ms. Kusum Lata Saraf	10,000
9	Mr. Ankit Saraf	24,500
	Total	2,20,000

- ⁽¹⁹⁾ Further Allotment of 2,09,000 Equity Shares each of face value of ₹ 10.00 each allotted on March 28, 2013 at issue price of ₹20.00 the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1	Mr. Amit Kumar Saraff	15,500
2	Mr. Deepak Saraf	13,500
3	Ms. Anita saraf	10,000
4	Ms. Shalu Saraf	18,250
5	Ms. Simmi Saraf	11,500
6	Ms. Swati Saraf	14,500
7	Ms. Megha Saraf	20,000
8	Mr. Vijay Saraf	38,250
9	Mr. Ankit Saraf	17,500
10	M/s Amit Saraf HUF	22,500
11	Ms. Neelam Saria	17,500
12	Ms. Preeti Saraf	10,000
	Total	2,09,000

- ⁽²⁰⁾ Further Allotment of 40,000 Equity Shares each of face value of ₹ 10.00 each allotted on April 08, 2013 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1.	Ms. Kusum Lata Saraf	25,000
2.	Ms. Divya Bansal	15,000
	Total	40,000

- ⁽²¹⁾ Further Allotment of 1,65,000 Equity Shares each of face value of ₹ 10.00 each allotted on February 08, 2014 at issue price of ₹20.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1	M/s Amit Saraf HUF	30,000
2	Ms. Divya Bansal	12,500
3	Ms. Kusum Lata Saraf	15,000
4	Ms. Megha Saraf	5,000
5	Ms. Shalu Saraf	10,000
6	Ms. Swati Saraf	31,250
7	Mr. Vijay Saraf	35,000
8	Ms. Savita Bansal	26,250
	Total	1,65,000

- ⁽²²⁾ Right Issue of 1,54,800 Equity Shares each of face value of ₹ 10.00 each allotted on February 27, 2015 at issue price of ₹25.00, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1	Mr. Deepak Saraf	20,000
2	Ms. Anita Saraf	3,200
3	Ms. Simmi Saraf	6,000
4	Mr. Vijay Saraf	35,000
5	Ms. Savita Bansal	20,000
6	Mr. Suresh Kumar Bansal	33,600
7	Ms. Kusum Lata Saraf	7,600
8	Ms. Neelam Saria	6,400
9	Ms. Preeti Saraf	13,400
10	Mr. Rohit Saraf	9,600
	Total	1,54,800

- ⁽²³⁾ Bonus Issue of 1,31,94,900 Equity Shares in the ratio of (6:1), (Six equity shares for every one held) allotted on June 01, 2024 having Face Value of ₹ 10.00 each as per details given below

Sr. No	Name of Allotees	No. of Shares Allotted
1	Mr. Amit Kumar Saraff	34,30,614
2	M/s Amit Saraf HUF	60
3	Ms. Anita Saraf	60
4	Mr. Ankit Saraf	19,79,178
5	Mr. Deepak Saraf	34,30,614
6	Ms. Divya Bansal	60
7	Ms. Kusum Lata Saraf	60
8	Ms. Neelam Saria	60
9	Ms. Preeti Saraf	5,27,796
10	Mr. Rohit Saraf	60
11	Ms. Savita Bansal	6,67,830
12	Ms. Shalu Saraf	19,79,172
13	Ms. Simmi Saraf	5,27,736
14	Mr. Suresh Kumar Bansal	6,51,600
	Total	1,31,94,900

- ⁽²⁴⁾ Further Allotment of 3,54,339 Equity Shares each of face value of ₹ 10.00 each allotted on July 08, 2024 at issue price of ₹82.52, the details of which is given below:

Sr. No	Name of Allotees	No. of Shares Allotted
1	Mr. Pitam Goel	1,02,971
2	Ms. Divya Aggarwal	1,02,971
3	Mr. Gautam Bhartia	59,057
4	Ms. Neha Bhartia	59,056
5	Mr. Amit Jindal	30,284
	Total	3,54,339

3. Shareholding of the Promoters of our Company

As on the date of the Draft Red Herring Prospectus, our Promoters – Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Savita Bansal and Mr. Suresh Kumar Bansal hold total 1,41,62,176 Equity Shares representing 89.93% of the pre-offer paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

Date of Allotment/Transfer	Nature of Transaction/ Issue	No of equity shares	Value per equity share (In ₹)	Issue/ Transfer price per share (In ₹)	Consideration	Name of Transferor/ Transferee	% of pre issue capital	% of post issue capital
Mr. Amit Kumar Saraff								
August 26, 2003	Subscription	7,500	10.00	10.00	Cash	NA	0.05	[●]
January 30, 2004	Further Allotment	20,800	10.00	10.00	Cash	NA	0.13	[●]
March 15, 2005	Further Allotment	12,200	10.00	10.00	Cash	NA	0.08	[●]
March 17, 2005	Transfer	2,170	10.00	10.00	Cash	Mr. Suresh Saraf	0.01	[●]
April 30, 2006	Further Allotment	1,00,000	10.00	10.00	Cash	NA	0.63	[●]
February 14, 2007	Further Allotment	32,500	10.00	20.00	Cash	NA	0.21	[●]
March 06, 2008	Further Allotment	1,15,500	10.00	20.00	Cash	NA	0.73	[●]
February 16, 2009	Further Allotment	3,750	10.00	20.00	Cash	NA	0.02	[●]
March 31, 2009	Further Allotment	7,000	10.00	20.00	Cash	NA	0.04	[●]
March 23, 2012	Further Allotment	25,000	10.00	20.00	Cash	NA	0.16	[●]
March 28, 2013	Further Allotment	15,500	10.00	20.00	Cash	NA	0.10	[●]
February 26, 2022	Transfer	3,25,840	10.00	0.00	Other than cash	Ms. Kusum Lata Saraf	2.07	[●]
April 24, 2023	Transfer	-151,025	10.00	0.00	Other than cash	Mr. Deepak Saraf	-0.96	[●]
April 24, 2023	Transfer	55,034	10.00	0.00	Other than cash	Ms. Simmi Saraf	0.35	[●]
June 01, 2024	Bonus Issue	34,30,614	10.00	NA	Other than cash	NA	21.78	[●]
TOTAL		40,02,383					25.41	
Mr. Deepak Saraf								
August 07, 2004	Further Allotment	1,500	10.00	10.00	Cash	NA	0.01	[●]
June 29, 2006	Further Allotment	2,710	10.00	10.00	Cash	NA	0.02	[●]
March 06, 2008	Further Allotment	10,750	10.00	20.00	Cash	NA	0.07	[●]
January 21, 2009	Transfer	1,000	10.00	10.00	Other than cash	Mr. Sudhir Gadia	0.01	[●]
January 21, 2009	Transfer	100	10.00	10.00	Other than cash	Mr. Sunil Goel	0.00	[●]
February 16, 2009	Transfer	1,000	10.00	10.00	Other than cash	Ms. Meera Agarwal	0.04	[●]
February 16, 2009	Further Allotment	6,650	10.00	20.00	Cash	NA	0.01	[●]
March 30, 2009	Further Allotment	21,000	10.00	20.00	Cash	NA	0.13	[●]

March 31, 2009	Further Allotment	7,500	10.00	20.00	Cash	NA	0.05	[●]
October 29, 2010	Further Allotment	27,500	10.00	20.00	Cash	NA	0.17	[●]
March 21, 2011	Further Allotment	25,000	10.00	20.00	Cash	NA	0.16	[●]
March 23, 2012	Further Allotment	9,500	10.00	20.00	Cash	NA	0.06	[●]
March 28, 2013	Further Allotment	13,500	10.00	20.00	Cash	NA	0.09	[●]
February 27, 2015	Further Allotment	20000	10.00	25.00	Cash	NA	0.13	[●]
February 26, 2022	Transfer	23,890	10.00	0.00	Other than cash	Ms. Neelam Saria	0.15	[●]
February 26, 2022	Transfer	27,480	10.00	0.00	Other than cash	Ms. Savita Bansal	0.17	[●]
February 26, 2022	Transfer	1,40,250	10.00	0.00	Other than cash	Ms. Savita Bansal	0.89	[●]
April 24, 2023	Transfer	1,51,025	10.00	0.00	Other than cash	Mr. Amit Kumar Saraff	0.96	[●]
April 24, 2023	Transfer	1,45,980	10.00	0.00	Other than cash	Ms. Anita Saraf	0.93	[●]
April 24, 2023	Transfer	-64,566	10.00	0.00	Other than cash	Ms. Preeti Saraf	-0.41	[●]
June 01, 2024	Bonus Issue	34,30,614	10.00	NA	Other than cash	NA	21.78	[●]
	TOTAL	40,02,383					25.41	
Mr. Ankit Saraf								
March 21, 2011	Further Allotment	26,250	10.00	20.00	Cash	NA	0.17	[●]
March 23, 2012	Further Allotment	24,500	10.00	20.00	Cash	NA	0.16	[●]
March 28, 2013	Further Allotment	17,500	10.00	20.00	Cash	NA	0.11	[●]
April 24, 2023	Transfer	2,61,613	10.00	0.00	Other than cash	Ms. Anita Saraf	1.66	[●]
June 01, 2024	Bonus Issue	19,79,178	10.00	NA	Other than cash	NA	12.57	[●]
	TOTAL	23,09,041					14.66	
Ms. Shalu Saraf								
March 06, 2008	Further Allotment	12,500	10.00	20.00	Cash	NA	0.08	[●]
February 16, 2009	Further Allotment	9,500	10.00	20.00	Cash	NA	0.06	[●]
March 23, 2012	Further Allotment	37,500	10.00	20.00	Cash	NA	0.24	[●]
March 28, 2013	Further Allotment	18,250	10.00	20.00	Cash	NA	0.12	[●]
February 08, 2014	Further Allotment	10,000	10.00	20.00	Cash	NA	0.06	[●]
April 24, 2023	Transfer	2,42,112	10.00	0.00	Other than cash	Ms. Anita Saraf	1.54	[●]
June 01, 2024	Bonus Issue	19,79,172	10.00	NA	Other than cash	NA	12.57	[●]
	TOTAL	23,09,034					14.66	
Ms. Savita Bansal								
May 25, 2009	Further Allotment	50,000	10.00	20.00	Cash	NA	0.32	[●]
October 29, 2010	Further Allotment	19,000	10.00	20.00	Cash	NA	0.12	[●]
March 23, 2012	Further Allotment	25,000	10.00	20.00	Cash	NA	0.16	[●]
February 08, 2014	Further Allotment	26,250	10.00	20.00	Cash	NA	0.17	[●]
February 27, 2015	Further Allotment	20,000	10.00	25.00	Cash	NA	0.13	[●]

February 26, 2022	Transfer	27,490	10.00	-	Other than cash	Ms. Divya Bansal	0.17	[●]
February 26, 2022	Transfer	-27,480	10.00	-	Other than cash	Mr. Deepak Saraf	-0.17	[●]
February 26, 2022	Transfer	-1,40,250	10.00	-	Other than cash	Mr. Deepak Saraf	-0.89	[●]
April 24, 2023	Transfer	1,11,295	10.00	-	Other than cash	Ms. Anita Saraf	0.71	[●]
June 01, 2024	Bonus Issue	6,67,830	10.00	-	Other than cash	NA	4.24	[●]
TOTAL		7,79,135					4.95	
Mr. Suresh Kumar Bansal								
May 11, 2009	Further Allotment	75,000	10.00	20.00	Cash	NA	0.48	[●]
February 27, 2015	Further Allotment	33,600	10.00	20.00	Cash	NA	0.21	[●]
June 01, 2024	Bonus Issue	6,51,600	10.00	-	Other than cash	NA	4.14	[●]
TOTAL		7,60,200					4.83	[●]
Ms. Simmi Saraf								
March 06, 2008	Further Allotment	20,750	10.00	20.00	Cash	NA	0.13	[●]
February 16, 2009	Further Allotment	7,250	10.00	20.00	Cash	NA	0.05	[●]
March 31, 2009	Further Allotment	5,000	10.00	20.00	Cash	NA	0.03	[●]
March 21, 2011	Further Allotment	10,000	10.00	20.00	Cash	NA	0.06	[●]
March 23, 2012	Further Allotment	30,000	10.00	20.00	Cash	NA	0.19	[●]
March 28, 2013	Further Allotment	11,500	10.00	20.00	Cash	NA	0.07	[●]
February 27, 2015	Further Allotment	6,000	10.00	20.00	Cash	NA	0.04	[●]
April 24, 2023	Transfer	52,490	10.00	117.20	Other than cash	M/s Amit Saraf HUF	0.33	[●]
April 24, 2023	Transfer	-55,034	10.00	-	Other than cash	Mr. Amit Kumar Saraff	-0.35	[●]
June 01, 2024	Bonus Issue	5,27,736	10.00	-	Other than cash	NA	3.35	[●]
TOTAL		6,15,692					3.91	[●]
Ms. Preeti Saraf								
March 28, 2013	Further Allotment	10,000	10.00	20.00	Cash	NA	0.06	[●]
February 27, 2015	Further Allotment	13,400	10.00	20.00	Cash	NA	0.09	[●]
April 24, 2023	Transfer	64,566	10.00	117.20	Other Than Cash	Mr. Deepak Saraf	0.41	[●]
June 01, 2024	Bonus Issue	5,27,796	10.00	-	Other than Cash	NA	3.35	[●]
TOTAL		6,15,762					3.91	[●]

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are under pledge.

4. Our shareholding pattern

(a) The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

Category Code	Category of shareholder	No. of shareholder	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	14	1,53,94,050	-	-	1,53,94,050	97.75	1,53,94,050	-	1,53,94,050	97.75	-	-	-	-	-	-	1,53,94,050

(B)	Public	5	3,54,339	-	-	3,54,339	2.25	3,54,339	-	3,54,339	2.25	-	-	-	-	-	3,54,339
C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	19	1,57,48,389	-	-	1,57,48,389	100.00	1,57,48,389	-	1,57,48,389	100.00	-	-	-	-	-	1,57,48,389

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

Note:

In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, our Company have all the shares in dematerialized form.

- *PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.*
- *Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such Equity Shares.*

5. As on the date of the Draft Red Herring Prospectus, there are no partly paid-up shares / outstanding convertible securities / warrants in our Company.
6. Following are the details of the holding of securities of persons belonging to the category “*Promoter and Promoter Group*” and public before and after the Offer:

#	Name of share holder	Pre-offer		Post Offer	
		No. of equity shares	As a % of Offered Capital	No. of equity shares	As a % of Offered Capital
Promoters					
1	Mr. Amit Kumar Saraff	40,02,383	25.41	●	●
2	Mr. Deepak Saraf	40,02,383	25.41	●	●
3	Mr. Ankit Saraf	23,09,041	14.66	●	●
4	Ms. Shalu Saraf	23,09,034	14.66	●	●
5	Ms. Savita Bansal	7,79,135	4.95	●	●
6	Mr. Suresh Kumar Bansal	7,60,200	4.83	●	●
Total – A		1,41,62,176	89.93	●	●
Promoter Group					
7	M/s Amit Saraf HUF	70	Negligible	●	●
8	Ms. Kusum Lata Saraf	70	Negligible	●	●
9	Ms. Preeti Saraf	6,15,762	3.91	●	●
10	Mr. Rohit Saraf	70	Negligible	●	●
11	Ms. Anita Saraf	70	Negligible	●	●
12	Ms. Simmi Saraf	6,15,692	3.91	●	●
13	Ms. Divya Bansal	70	Negligible	●	●
14	Ms. Neelam Saria	70	Negligible	●	●
Total B		12,31,874	7.82	●	●
Grand Total (A+B)		1,53,94,050	97.75	●	●

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition* (in ₹)
Mr. Amit Kumar Saraff	40,02,383	2.76
Mr. Deepak Saraf	40,02,383	2.45
Mr. Ankit Saraf	23,09,041	2.63
Ms. Shalu Saraf	23,09,034	2.31
Ms. Savita Bansal	7,79,135	2.68
Mr. Suresh Kumar Bansal	7,60,200	3.08

Note: *As certified by M/s Gupta Jalan & Associates, Chartered Accountants, Statutory Auditors, by way of their certificate dated October 20, 2024 bearing UDIN: 24520410BKEGOT3521.

8. **Details of Major Shareholders:**

- (A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Red Herring Prospectus:

Sr. No	Name of shareholders	No. of Equity Shares held	% of Paid-up Capital*
1.	Mr. Amit Kumar Saraff	40,02,383	25.41
2.	Mr. Deepak Saraf	40,02,383	25.41
3.	Mr. Ankit Saraf	23,09,041	14.66
4.	Ms. Shalu Saraf	23,09,034	14.66
5.	Ms. Preeti Saraf	6,15,762	3.91
6.	Ms. Simmi Saraf	6,15,692	3.91
7.	Ms. Savita Bansal	7,79,135	4.95
8.	Mr. Suresh Kumar Bansal	7,60,200	4.83
Total		1,53,93,630	97.75

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No	Name of shareholders	No. of Equity Shares held	% of Paid up Capital*
1.	Mr. Amit Kumar Saraff	40,02,383	25.41
2.	Mr. Deepak Saraf	40,02,383	25.41
3.	Mr. Ankit Saraf	23,09,041	14.66
4.	Ms. Shalu Saraf	23,09,034	14.66
5.	Ms. Preeti Saraf	6,15,762	3.91
6.	Ms. Simmi Saraf	6,15,692	3.91
7.	Ms. Savita Bansal	7,79,135	4.95
8.	Mr. Suresh Kumar Bansal	7,60,200	4.83
	Total	1,53,93,630	97.75

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Red Herring Prospectus:

Sr. No	Name of shareholders	No. of Equity Shares held	% of Paid-up Capital*
1.	M/s Amit Saraf HUF	52,500	2.39
2.	Mr. Amit Kumar Saraff	6,67,760	30.36
3.	Mr. Ankit Saraf	68,250	3.10
4.	Mr. Deepak Saraf	3,39,330	15.43
5.	Mr. Suresh Kumar Bansal	1,08,600	4.94
6.	Ms. Anita Saraf	7,51,420	34.17
7.	Ms. Preeti Saraf	23,400	1.06
8.	Ms. Shalu Saraf	87,750	3.99
9.	Ms. Simmi Saraf	90,500	4.12
	Total	21,89,510	99.56

* the % has been calculated based on existing (pre-offer) Paid up Capital of the Company.

9. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.

10. Our Company has made the following allotment of Equity Shares to the members of our Company during past 12 months prior to the date of filing of Draft red herring prospectus whose effective issue price may be lower than the Offer Price:

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

A. Allotment of 3,54,339 Equity Shares each of face value of ₹ 10.00 each allotted on July 08, 2024 at issue price of ₹ 82.55, the details of which is given below:

Sr. No.	Name of Allotees	No. of Shares Allotted
1.	Mr. Pitam Goel	1,02,971
2.	Ms. Divya Aggarwal	1,02,971
3.	Mr. Gautam Bhartia	59,057
4.	Ms. Neha Bhartia	59,056
5.	Mr. Amit Jindal	30,284
	TOTAL	3,54,339

B. Bonus Issue of 1,31,94,900 Equity Shares in the ratio of (6:1, Six equity shares for every one held) allotted on June 01, 2024 having Face Value of ₹ 10.00 each as per details given below

Sr. No.	Name of Allotees	No. of Shares Allotted
1.	Mr. Amit Kumar Saraff	34,30,614
2.	M/s Amit Saraf HUF	60
3.	Ms. Anita Saraf	60
4.	Ms. Ankit Saraf	19,79,178
5.	Mr. Deepak Saraf	34,30,614
6.	Ms. Divya Bansal	60
7.	Ms. Kusum Lata Saraf	60
8.	Ms. Neelam Saria	60
9.	Ms. Preeti Saraf	5,27,796
10.	Mr. Rohit Saraf	60
11.	Ms. Savita Bansal	6,67,830
12.	Ms. Shalu Saraf	19,79,172
13.	Ms. Simmi Saraf	5,27,736
14.	Mr. Suresh Kumar Bansal	6,51,600
	Total	1,31,94,900

The Equity Shares allotted to the investors pursuant to this issue may be priced higher due to various factors including better performance by the Company, better economic conditions and passage of time. For details, please refer to section titled “**Capital Structure**” on page 57 of this Draft Red Herring Prospectus. The Offer Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

11. Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
12. We have 19 (Nineteen) shareholders as on the date of filing of the Draft Red Herring Prospectus.
13. As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters’ Group hold total 1,53,94,050 Equity Shares representing 97.75% of the pre-offer paid up share capital of our Company.
14. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the company which is a promoter of the Company and/or the Directors of the Company have purchased or (sold) any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus.
15. The members of the Promoters’ Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

16. Details of Promoter’s Contribution locked in for three years:

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and in terms of the aforesaid table, an aggregate of 20% of the post-offer Capital shall be considered as Promoter’s Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.00 % of the post-offer Equity Share Capital of our Company as Promoters’ Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters’ Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, *Minimum Promoters Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Issue, whichever is later.*

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which

commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of [●] of the post offer Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

However, it should be noted that the offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock in.

The details of the Equity Shares held by our Promoters, which are locked in for a period of three years from the date of Allotment in the Offer are given below:

Name of Promoter	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price per Equity Share (₹)	Percentage of post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to Lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI Regulations. Equity Shares Issued by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Offer.

We confirm that the minimum Promoters' contribution of 20.00 % which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- The Equity Shares held by the Promoters and Issued for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

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

Equity Shares locked-in for one year

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance pre-issue Equity Share capital of our Company, i.e. [●] Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or a public financial institution or a systematically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, subject to the following:

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

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

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
 - The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.
17. Our Company, our Promoters, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
18. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation except the following.

Date of Allotment/ Transfer	Name of Shareholders	Nos. of Equity Share	Face Value*	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
June 01, 2024	Mr. Amit Kumar Saraff	34,30,614	10.00	Allotment of Bonus Shares in the ratio of 6:1	Promoter
	M/s Amit Saraf HUF	60	10.00		Promoter Group
	Ms. Anita Saraf	60	10.00		Promoter Group
	Ms. Ankit Saraf	19,79,178	10.00		Promoter
	Mr. Deepak Saraf	34,30,614	10.00		Promoter
	Ms. Divya Bansal	60	10.00		Promoter Group
	Ms. Kusum Lata Saraf	60	10.00		Promoter Group
	Ms. Neelam Saria	60	10.00		Promoter Group
	Ms. Preeti Saraf	5,27,796	10.00		Promoter Group
	Mr. Rohit Saraf	60	10.00		Promoter Group
	Ms. Savita Bansal	6,67,830	10.00		Promoter
	Ms. Shalu Saraf	19,79,172	10.00		Promoter

	Ms. Simmi Saraf	5,27,736	10.00		Promoter Group
	Mr. Suresh Kumar Bansal	6,51,600	10.00		Promoter

19. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
20. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
21. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
22. There are no safety net arrangements for this public Issue.
23. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
24. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
25. 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 money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. There is no “Buyback”, “Standby”, or similar arrangement by our Company/Promoters/Directors/Book Running Lead Manager for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.
28. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
29. Under subscription, if any, in any category, shall 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 NSE.
30. The issue is being made through Book Build Method.
31. Book Running Lead Manager to the Offer viz. Share India Capital Services Private Limited and their associates do not hold any Equity Shares of our Company.
32. Our Company has not raised any bridge loan against the proceeds of this Issue.
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 Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
36. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.

37. Our Company has not made any public offer since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended July 31, 2024 and last three Financial i.e. March 31, 2024, March 31, 2023 and March 31, 2022, please refer to paragraph titled “**Related Party Transaction**” in the chapter titled “**Financial Statement as Restated**” beginning on page number 161 of the Draft Red Herring Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “**Our Management**” beginning on page number 135 of the Draft Red Herring Prospectus.
41. None of the investors of the company is directly/indirectly related with Book Running Lead Manager and their associates.
42. All Equity Shares held by our Promoters are in dematerialised form as on the date of this Draft Red Herring Prospectus.
43. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded on account of non-listing, under-subscription etc, as the case may be.
44. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner whatsoever, whether in cash or kind or service or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
45. Except to the extent of the Offer for Sale by the Selling Shareholders our Promoter Group and the members of our Promoter Group will not participate in the Offer.

This space is intentionally left blank

SECTION VII- PARTICULARS OF THE OFFER - OBJECTS OF THE OFFER

The Offer comprises the Offer for Sale and the Fresh Issue. The Fresh Issue comprises upto 38,78,400* Equity Shares, aggregating to ₹ [●] Lakh by our Company and the Offer for Sale comprises upto 12,93,600* Equity Shares, aggregating to ₹ [●] Lakh by Selling Shareholders.

*Subject to finalization of basis of allotment.

OFFER FOR SALE

The Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting proportion of the Offer related expenses and relevant taxes, as applicable, thereon. For further details, please see heading “*Offer Expenses*” below here of this chapter. Further, the proceeds received from the Offer for Sale will not form part of the Net Proceeds and Our Company will not receive any proceeds from the Offer for Sale. For details of the Selling Shareholders and the number of Equity Shares offered by the Selling Shareholders in the Offer, please see “*The Offer*” on page 43.

FRESH ISSUE

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Funding Capital expenditure for new store setups;
2. Funding working capital requirements of our Company;
3. General corporate purposes;

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

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Stock Exchange. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds.

NET PROCEEDS

The Gross proceeds, after deducting Offer expenses to the extent applicable to the Fresh Issue, are estimated to be ₹ [●] Lakh (“Net Proceeds”).

The following table summarizes the requirement of funds:

(₹ in Lakh)

Particulars	Amount
Gross proceeds from the Fresh Issue	[●]
Less: Estimated issue related expenses in relation to the offer	[●]
Net Proceeds	[●]

REQUIREMENT OF FUNDS AND UTILIZATION OF NET PROCEEDS

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

(₹ in Lakh)Sr. No.	Particulars	Estimated Amount (₹ in Lakh)	% of Net Proceeds
1.	Funding Capital expenditure for new store setups	612.59	[●]
2.	Funding working capital requirements of our Company	3,120.00	[●]
3.	General corporate purposes*	[●]	[●]

*To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

The fund requirements, the deployment of funds, and the intended use of the Net Proceeds from fresh issue as described herein are based on our current business plan, management estimates, current and valid quotations, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition,

business and strategy, competition and other external factors such as changes in the business environment 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.

In the event that the estimated utilization of the Net Proceeds from fresh issue in a scheduled financial year is not completely met, due to the reasons stated above, the same shall be utilized in the next financial year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and / or debt arrangements. Further, if the actual utilization 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 utilized towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations.

MEANS OF FINANCE

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds from fresh issue and in case of any shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company shall utilize its internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm and undertake 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 through the Net Proceeds and through existing identifiable internal accruals as required 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 USE OF ISSUE PROCEEDS

1. Funding Capital expenditure for new store setups

As a part of our strategy, we propose to utilise ₹ 612.59 Lakhs out of the Net Proceeds from fresh issue towards Space design and Interior execution for stores with an aggregate built-up area of approximately 22,000.00 sq. ft. to be undertaken in Fiscals 2025, 2026 and 2027.

We typically set up new stores in three distinct formats being-

- (i) **Flagship Store:** Flagship stores often showcase the brand's identity, products, and customer experience at their best. Our company proposes to open these stores mostly in Delhi and Maharashtra. The approximate size of these stores will be 1,500.00 Sq. ft. each.
- (ii) **Urban Retail Store:** Urban Retail Store refers to stores located in a city or densely populated area. These stores often cater to the needs of city residents, offering convenience and a variety of products that suit urban lifestyles. Our company proposes to open one stores in each of the states including Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Maharashtra. The approximate size of these stores will be 700-800.00 Sq. ft. each.
- (iii) **Smart Brand Outlet:** Smart Brand Outlet generally refers to a retail outlet that uses technology and innovative practices to enhance the shopping experience. This could include features like interactive displays, personalized recommendations. The approximate size of these stores will be 400-500.00 Sq. ft. each. Our company proposes to open these stores as mentioned below.

Sr. No	States	Number of Stores
1	Delhi – NCR	2
2	Andhra Pradesh	1
3	Assam	1
4	Bihar	1
5	Chhattisgarh	1
6	Goa	1
7	Gujarat	3
8	Haryana	1
9	Himachal Pradesh	1

10	Jharkhand	1
11	Karnataka	1
12	Kerala	1
13	Madhya Pradesh	1
14	Maharashtra	2
15	Orissa	1
16	Punjab	2
17	Rajasthan	1
18	Tamil Nadu	2
19	Telangana	2
20	Uttar Pradesh	2
21	Uttarakhand	1
22	West Bengal	1
	Total	30

For opening of these outlets our company is in process of discussion with its distributors to allocate certain portion of their store dedicated outlet of Digitek

For Space design and Interior execution of stores that are proposed to be opened/established, we have received quotation(s) dated October 30, 2024 from the agency being architects and interior designers for creation of fit outs, details of which are as follows:

Sr. No.	Name of Vendor	Description	Validity
1.	Salasar Media Inc.	Coffee & Creative: Responsible for space design and consultation Vickram Singh: Responsible for architectural consultation & project development.	Up to 6 months. i.e. April 30, 2025

The quotation for all the types of stores is mentioned below:

(₹ in Lakh)				
Sr. No.	Description	Flagship Store Cost (₹)	Urban Retail Store Cost (₹)	Smart Brand Outlet Cost (₹)
1	Flooring	1.50	0.80	0.50
2	False Ceiling	1.75	0.96	0.60
3	Paint / POP	2.00	1.08	0.70
4	Wood & Glass Work (Shelves)	6.00	3.20	2.00
5	Hardware & Sanitary	3.50	1.50	1.00
6	Counter, Podium / Racks Furniture	10.00	6.00	4.00
7	Lighting & Track Lights	4.00	2.00	1.10
8	2 LED TVs Smart	1.25	0.65	0.55
9	Basic Sound System	1.00	0.50	0.25
10	Security, CCTV & Server	2.00	1.10	0.75
11	Fire Safety Equipment	2.00	1.00	0.70
12	Plumbing work	1.50	0.00	0.00
13	Wiring / Electrical Work	3.50	1.80	0.00
14	AC Units (Split / Indoor Tower)	2.00	1.30	0.75
15	Facade & Signage Board	2.00	2.00	0.75
	Total Estimated Cost	44.00	23.89	13.65

The estimates setup cost of all the types of stores:

(₹ in Lakh)			
Sr. No	Type of Stores	No of Stores	Estimated Cost
1	Flagship Stores	2	88.00
2	Urban Retail Store	5	119.45
3	Smart Brand Outlet	30	409.50
	Total		616.95

2. Funding working capital requirements of our Company

Our company intends to allocate ₹ 31,20.00 Lakhs to meet its working capital needs in the regular course of business. Given our substantial working capital requirements, we typically address these needs through internal accruals. To support the growth of our business, capitalize on opportunities, and meet strategic, business, and corporate goals, additional working capital is necessary. This infusion of funds is anticipated to result in a subsequent increase in both revenues and profitability for our company.

Basis of estimation of working capital requirement and estimated working capital requirement:

(Amount in ₹ Lakhs)

Particulars	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	As at 31 July 2024 (Restated)	Fiscal 2025 (Projected)	Fiscal 2026 (Projected)
Current Assets						
Inventories	1,902.31	2,005.88	2,402.57	2,241.88	3,110.00	5,080.00
Trade Receivables	1,368.78	1,768.55	1,585.78	2,583.17	2,245.00	3,050.00
Cash and Bank Balances	447.38	166.09	382.23	190.12	515.40	609.97
Short term loan and advances	743.39	1,171.83	1,350.53	1,853.88	1,967.31	2,329.31
Other current assets	3.89	6.71	24.78	0.09	3.50	3.50
Total (A)	4,465.75	5,119.05	5,745.89	6,869.14	7,841.21	11,072.78
Current Liabilities						
Trade Payables	829.34	800.51	403.99	20.33	115.00	170.00
Other Current Liabilities	272.36	240.65	398.05	745.86	381.03	193.00
Short Term Provision	27.27	33.75	112.07	550.65	447.53	602.08
Total (B)	1,128.96	1,074.91	914.11	1,316.84	943.56	965.08
Total Working Capital (A)-(B)	3,336.78	4,044.14	4,831.78	5,552.30	6,897.65	10,107.70
Sources of Working Capital						
<i>I) Borrowings for meeting working capital requirements</i>	1,615.10	1,941.65	1,798.11	1,751.54	1,767.82	1,767.82
<i>II) Networth / Internal Accruals</i>	1,721.69	2,102.49	3,033.67	3,800.76	4,489.83	5,859.89
<i>III) Proceeds from IPO</i>	-	-	-	-	640.00	2,480.00

Basis of Estimation and Key Assumptions for working capital projections made by Company:

Particulars	31-03-2022	31-03-2023	31-03-2024	July 31, 2024	31-03-2025 (E)	31-03- 2026 (E)
Inventory (in days)	83	84	80	46	87	108
Debtors (in days)	39	48	33	35	39	40
Creditors (in days)	36	33	13	2	3	4

Justification:

Inventory	The Inventory days in FY2022 were 83 which grew slightly to 84 days in FY2023 and reduced in FY2024 to 80 days in FY2024 as revenue increased significantly. As we are at a growing stage increasing our revenue year on year, we are keeping inventory days at 87 in FY2025. The increased inventory will assist us in expanding overseas. The export market often involves fluctuating demand and unpredictable shipping timelines. By holding a larger inventory, we can better respond to sudden changes in demand and avoid stockouts. In FY2026, our inventory days will be 108, this is primarily due to the significant portion of our export sales that will need to be held as inventory to fulfill international orders promptly.
Debtors	In FY2022, receivable days were 39 days showing a healthy position in the market which increased to 48 days in FY2023 as e-commerce is approximate 40% of our revenue and the payments are generally settled in 30 days. But in case of one e-commerce vendor payments can take upto 45-60 days of time, this vendor holds 15% balance of our trade receivables in FY2023. The receivable days were reduced

	to 33 days due to an increase in sales in FY2024. It is expected that the increasing trend of sales with continue in FY2025 and FY2026 as we expand our sales to international markets. In FY2025, receivable days will be 39 and slightly increase to 40 days in FY2026 showing a healthy cash flow in future.
Creditors	In FY2022, trade payable days were 36 then decreased to 33 in FY2023 and further down to 13 to FY2024. In FY2025 and FY2026 payable days are expected to be 3 days and 4 days respectively. The significant reduction in payable days from 36 in FY2022 to an anticipated 3-4 days in FY2025-26 is primarily driven by a strategic shift in our procurement strategy. The company has transitioned to an advanced payment model for most of its inventory, significantly reducing the payment cycle. Additionally, as of now there is only one supplier who is working on a letter of credit which is expected to continue. This optimized payment cycle will ensure a smooth inflow of inventory, minimize supply chain disruptions, and further enhance our financial performance.
Short term loans and advances	These include advance paid to suppliers, balance with statutory authorities, prepaid expenses and staff advances. As our revenue increases and we maintain a steady inflow of inventory our advances to suppliers increase and balance with statutory authorities increase as company changes a policy from FY2024-25 to show provision for taxes and advance income tax paid separately without setting off the amounts, as compared to earlier years where they showed a net amount for provision. while other items are slightly changed. In FY2022, short term loans were 5.81% of revenue and increased to 8.69% in FY2023, then 7.67% in FY2024. They are expected to be in the same range with 9.37% in FY2025 and 8.41% in FY2026.
Other current assets	It includes security deposits, interest accrued and Duty Entitlement Pass Book (DEPB) license. DEPB is used to neutralise the incidence of customs duty on the import content of the export product. In FY2022 and FY2023 other current assets have changed slightly but in FY2024 these increased due to increase in balance of DEPB license. In FY2025 and FY2026, its reduced due to decrease in balance of DEPB and security deposits are expected to be constant in the coming years.
Other Current Liabilities & Short-term provisions	It includes advance received from customers, statutory dues payable, expenses payable and provision for taxes and gratuity. In the past financial years there have been slight changes but they are expected to increase in FY 2025 and FY2026 as the company changes a policy from FY2024-25 to show provision for taxes and advance income tax paid separately without setting off the amounts, as compared to earlier years where they showed a net amount for provision.

3. General Corporate Purpose

We propose to utilize ₹ [●] Lakhs of the Net Proceeds from fresh issue towards general corporate purposes as approved by the Board, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross fresh Issue Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

4. Offer expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] Lakhs. The expenses of the Offer include, amongst others, listing fees, underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsel, the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Other than (a) listing fees which will be borne by the Company, and

(b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the Selling Shareholders (the Selling Shareholders agree to share the costs and expenses (including all applicable taxes except securities transaction tax (“STT”) which shall be solely borne by the respective Selling Shareholders), all costs, charges, fees and expenses associated with and incurred in connection with the Offer, including Offer advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar to the Offer’s fees, fees to be paid to the BRLM, fees and expenses of legal counsel to the Company and the BRLM, fees and expenses of the auditors, fees to be paid to sponsor banks, SCSBs (processing fees and selling commission), brokerage for syndicate members, commission to Registered Brokers, Collecting DPs and RTAs, and payments to consultants, and advisors, shall be shared among the Company and the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by the Selling Shareholders through the Offer for Sale. All such payments shall be made by the Company on behalf of the Selling Shareholders and the Selling Shareholders agrees to reimburse the Company for any expenses incurred by the Company on behalf of the Selling Shareholders. The fees of the BRLM shall be paid directly from the public offer account(s) where the proceeds of the Offer have been received, and immediately upon receipt of final listing and trading approvals from the Stock Exchange, in the manner as may be set out in the escrow and sponsor bank agreement. It is further clarified that all payments shall be made first by the Company and that the Selling Shareholders shall reimburse the Company for the respective proportion of the expenses.

The total estimated Offer Expenses are ₹ [●] Lakhs, which is [●] % of the total Offer Size. The details of the Issue Expenses are tabulated below:

Expenses	Expenses (₹ in Lakh)	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 Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	100.00	[●]

Notes:

- Up to August 30, 2024; Our Company has deployed/incurred expense of ₹ 19.25 Lakhs towards Issue Expenses duly certified by Statutory Auditor M/s. Gupta Jalan and Associates, Chartered Accountants vide its certificate dated October 20, 2024 bearing UDIN:24520410BKEGOS3518.
- Any expenses incurred towards aforesaid Offer related expenses during the period till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the Offer.
- ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Issue is made as per Phase I of UPI Circular) - ₹ 10.00 per application on wherein shares are **allotted**.
- Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) - ₹ 10.00- per application on wherein shares are **allotted**.
- Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - ₹ 10.00 per application on wherein shares are **allotted**.
- Sponsor Bank shall be payable processing fees on UPI application processed by them - ₹ [●] per application on wherein shares are **allotted**.
- No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
- Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.
- Issue Expenses other than the listing fees shall be shared among our Company and the Selling Shareholders on a pro rata basis, in proportion to the Equity Shares **Allotted**.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net fresh issue Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be funded from the Net fresh Issue Proceeds (₹ in Lakhs)	Estimated Utilization of Net Fresh issue Proceeds (₹ in Lakhs) (Up to Financial year 2024-25)*	Estimated Utilization of Net Fresh Issue Proceeds (₹ in Lakhs) (Up to Financial year 2025-26)*	Estimated Utilization of Net Fresh Issue Proceeds (₹ in Lakhs) (Up to Financial year 2026-27)*
1.	Funding Capital expenditure for new store setups	612.59	211.22	204.39	196.98
2.	Funding working capital requirements of our Company	3,120.00	640.00	2,480.00	NIL
3.	General corporate purposes	[●]	[●]	[●]	[●]
4.	Offer Expenses**	[●]	[●]	[●]	[●]

*Figures are tentative

**As per the certificate dated October 20, 2024 given by Statutory Auditor of the company, M/s Gupta Jalan and Associates, Chartered Accountants, the company has incurred a sum of ₹ 19.25 Lakhs towards the expenses.

APPRAISAL REPORT

None of the objects for which the Issue 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 Issue 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 Issue. 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 Issue 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.

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

MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue 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 in vestments, 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 Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

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 Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the

Registered Office is situated. Our Promoter 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 Issue will be paid by us to the Promoter 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.

This space has been left blank intentionally

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Statement as Restated**” beginning on page 25, 106 and 161 respectively of the Draft Red Herring Prospectus to get a more informed view before making the investment decision. The Price Band, Floor Price and Offer Price will be determined by the issuer in consultation with the Book Running Lead Manager. The financial data presented in this section are based on our Company’s Restated Financial Statements.

QUALITATIVE FACTORS

Some of the Qualitative factors which form the basis for computing the offer price are:-

- Wide product range, Design and Innovation in our product range;
- Established presence and proven track record;
- Highly passionate & focused on Quality Assurance;
- Our existing Network

For details of qualitative factors, please refer to the paragraph “**Our Competitive Strengths**” in the chapter titled “**Our Business**” beginning on page no. 106 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Statement as Restated**” on page 161 of this Draft Red Herring Prospectus. Some of the quantitative factors which form the basis or computing the price are as follows:

1. Basic & Diluted Earnings Per Share (EPS), as adjusted for change in capital:

Financial Year	Basic & Diluted EPS ₹	Weight
July 31, 2024	2.88	-
2023-24	45.78	3
2022-23	22.02	2
2021-22	21.97	1
Weighted Average EPS	33.89	6

Note:

The ratios have been computed as under:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company
- ii. **Basic and diluted EPS:** Profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with AS 20 – Earnings per share post the bonus issue in current financial year;
- iii. **Weighted average** = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- iv. The face value of equity shares of the Company is ₹ 10.00 per Equity share
- v. Weighted Average Basic Earnings per share = ₹ 33.89
- vi. Weighted Average Diluted Earnings per share = ₹ 33.89

2. Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of face value ₹ 10.00 each fully paid up.

$$\text{Price to Earning Ratio (P/E)} = \frac{\text{Offer Price}}{\text{Restated Earnings Per Share}}$$

Sr. No.	Particulars	P/E Ratio at the Floor Price	P/E Ratio at the Cap Price
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	[●]	[●]
4	P/E ratio based on the Weighted Average EPS	[●]	[●]

3. Return on Net Worth (RONW)

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax}}{\text{Net Worth}} * 100$$

Financial Year	Return on Net Worth (%)	Weight
July 31, 2024	12.38	
2023-24	37.02	3
2022-23	24.53	2
2021-22	30.82	1
Weighted Average RONW %	31.82	6

Notes:

- (1) Return on Net Worth (%) = Net Profit after Taxes (-) Preference Dividend /Average Shareholders' Equity
- (2) Net worth has been computed as a sum of paid-up share capital and other equity
- (3) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- (4) The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

4. Net Asset Value per Equity Share

$$\text{Restated Net Assets Value per Equity (\text{₹})} = \frac{\text{Restated Net Worth at the end of the year}}{\text{Number of Equity Shares Outstanding}}$$

As at	NAV per share ₹
July 31, 2024	16.15
March 31, 2024	146.56
March 31, 2023	100.78
March 31, 2022	78.76
NAV after Offer – at Cap Price	[•]
NAV after Offer – at Floor Price	[•]
Offer Price	[•]

Notes:

The ratios have been computed as under:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. NAV per share=Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year.
- iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- iv. Offer Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manage

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial Statements. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 24, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Gupta Jalan & Associates, Chartered Accountants by their certificate dated October 18, 2024 having UDIN: 24520410BKEGOK9488.

The KPIs of our Company have been disclosed in the sections “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” starting on pages 106 and 163, respectively. We have described and defined the KPIs, as applicable, in “*Definitions and Abbreviations*” beginning on page 2.

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 utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Offer Price.

1. Key metrics like growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.

KPI indicators

(Amount in ₹ lakhs, except EPS, % and ratios)

Particulars	Period Ended	Financial Year ended		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations ⁽¹⁾	6,708.48	17,610.59	13,484.15	12,790.86
EBITDA ⁽²⁾	643.10	1,543.86	818.98	831.68
EBITDA (%) Margin ⁽³⁾	10%	9%	6%	7%
ROCE (%) ⁽⁴⁾	14.17%	30.83%	19.28%	22.63%
Current Ratio ⁽⁵⁾	2.61	2.56	2.18	2.09
Operating Cash flow ⁽⁶⁾	-387.45	740.37	-252.34	377.55
PAT ⁽⁷⁾	444.66	1,006.82	484.36	483.21
ROE/ RONW ⁽⁸⁾	12.38%	37.02%	24.53%	30.82%
EPS ⁽⁹⁾ (before considering bonus)	2.88	45.78	22.02	21.97

Notes:

(1) Revenue from operations is the total revenue generated by our Company.

(2) EBITDA is calculated as Profit before (Extraordinary and Exceptional Items and tax + Depreciation + Interest Expenses - Other Income

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

(4) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt

(5) Current Ratio: Current Asset over Current Liabilities

(6) Operating Cash Flow: Net cash inflow from operating activities.

(7) PAT is mentioned as PAT for the period

(8) ROE/RONW is calculated PAT divided by shareholders' equity

(9) EPS is mentioned as EPS for the period

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue Growth Rate %	Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA Growth Rate %	EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicate the company's ability to bear its short-term obligations

Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
ROE/RONW	It is an indicator that shows how much the company is generating from its available shareholders' funds
EPS	Earnings per share is the company's earnings available of one share of the Company for the period

2. GAAP Financial Measures

GAAP Financial measures are numerical measures that are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Indian Accounting Standards ("Ind AS") or Accounting Standards ("AS") notified in accordance with Section 133 of the Companies Act, 2013, as amended (the "Act"). These measures are generally disclosed in the financial statements of the issuer company.

On the basis of Restated financial statements

(₹ in lakhs)

Particulars	Period Ended	Financial Year ended		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations	6,708.48	17,610.59	13,484.15	12,790.86
Profit after tax	444.66	1,006.82	484.36	483.21
Cash flow from operating activities	-387.45	740.37	-252.34	377.55
Cash Flow from investing activities	0.64	-125.63	-68.45	-51.09
Cash Flow from financing activities	194.68	-398.59	39.49	-454.47
Net Change in Cash and cash equivalents	-192.12	216.15	-281.29	-128.00

3. Non- GAAP Financial measures

Non-GAAP Financial measures are numerical measures of the Technical Guide on Disclosure and Reporting of KPIs issuer company's historical financial performance, financial position, or cash flows that:

- Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or
- Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non-GAAP Financial measures are items which are not defined under Ind AS or AS, as applicable. Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. As a simplified example, if the issuer company discloses net income less restructuring charges and loss on debt extinguishment (having determined all amounts in accordance with GAAP), the resulting performance amount, which may be labelled "Adjusted Net Income," is a Non-GAAP Financial measure.

On the basis of Restated financial statements.

(Amount in ₹ lakhs, except %)

Particulars	Period ended	Financial Year ended		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
EBITDA	643.10	1,543.86	818.98	831.68
Total Revenue	6,742.91	17,719.20	13,546.97	12,822.88
PAT	4,44.66	10,06.82	484.36	483.21
Gross margin	2,220.61	6,692.01	4,840.55	4,472.30
EBITDA margin	10%	9 %	6 %	6 %
PAT Margin	7%	6 %	4%	4%
Net worth	3,960.33	3,223.16	2,216.34	1,731.98

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies.

On the basis of Restated financial statements.

Particulars	Period ended	Financial Year ended		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Current ratio	2.61	2.562	2.183	2.094
Debt-equity ratio	0.51	0.637	0.996	1.146
Inventory turnover ratio	0.35	7.989	6.900	6.809
Trade receivables turnover ratio	0.31	10.500	8.596	8.525
Trade payables turnover ratio	0.05	18.968	10.811	10.260
Net capital turnover ratio	1.58	5.028	4.860	5.482
Net profit ratio	0.07	0.057	0.036	0.038
Return on equity ratio	0.12	0.370	0.245	0.324
Return on capital employed	0.11	0.308	0.193	0.226

Ratio	Explanation
Current Ratio	Current Assets divided by Current Liabilities
Debt-equity ratio	Total Debt/Shareholding Equity
Debt service coverage ratio	Earnings available for debt service / Debt Service
Inventory turnover ratio	Sales/Average Inventory
Trade receivables turnover ratio	Sales/Average Accounts Receivables {(Opening +Closing)/2}
Trade payables turnover ratio	Purchases/Average Trade Payables {(Opening +Closing)/2}
Net capital turnover ratio	Net Sales/Average Working Capital
Net profit ratio	Net profit After Tax/Net Sales
Return on equity ratio	Net Profit after Taxes (-) Preference Dividend /Average Shareholders' Equity
Return on capital employed	Earnings Before Interest and Taxes/Capital Employed

1. Comparison of Accounting ratios with Industry Peers

While our company operating in the Electronic Products trading Industry but there are no listed companies that are engaged in the business exactly similar to ours. Hence, we do not believe that there are any listed industry peers.

Weighted average cost of acquisition

- i. The price per share of our Company based on the primary/ new issue of shares

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this draft red-herring prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

Date of allotment	No. of equity shares allotted	Face value	Issue price	Nature of allotment	Nature of consideration	Total consideration (in ₹)
July 08, 2024	3,54,339	10	82.55	82.55	Private Placement	2,92,50,684.45

- ii. The price per share of our Company based on the secondary sale/ acquisition of shares

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), 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.

iii. *Weighted average cost of acquisition, floor price and cap price:*

Type of transaction	Weighted average cost of acquisition (₹ per equity shares)	Floor Price	Cap Price
Weighted average cost of primary / new issue acquisition	2.16	[●]	[●]
Weighted average cost of secondary acquisition	NIL	[●]	[●]

Explanation for Offer Price / Cap Price being [●] times and [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) in view of the external factors which may have influenced the pricing of the Offer. Not Applicable.

This space has been intentionally left blank

STATEMENT OF TAX BENEFIT**Independent Auditor's Report on Statement of Special Tax Benefits**

To,

The Board of Directors,
IMS Mercantiles Limited
(formerly known as IMS Mercantiles Private Limited)
704, 7th Floor, Ring Road Mall,
Sector-3, Rohini, New Delhi-110085
Dear Sir/ Madam,

Sub: Statement of possible Special tax benefit ('the Statement') available to IMS Mercantiles Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')

1. We hereby confirm that the enclosed Annexure I, prepared by IMS Mercantiles Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation 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.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been met with; and
 - iii) the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.

7. 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.
8. 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.
9. 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 Red Herring Prospectus/ Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For **Gupta Jalan & Associates**,
Chartered Accountants
Firm Reg No: 003721N
Peer Review Certificate No.: 018060

Ankit Todi
Partner
Membership Number: 520410
UDIN: 24520410BKEGOP6928

Place: Delhi
Date: October 20, 2024.

ANNEXURE I TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company, the Shareholders under the Taxation Laws 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 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 Taxation Laws.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

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

This space is intentionally left blank

SECTION V – ABOUT THE COMPANY INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMIC OVERVIEW

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percents is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

Global Outlook: Stable But Slow

Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. The projection for 2024 is revised up by 0.1 percentage point from the January 2024 WEO Update, and by 0.3 percentage point with respect to the October 2023 WEO forecast. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth rise slightly, with the increase mainly reflecting a recovery in the euro area from low growth in 2023, whereas emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

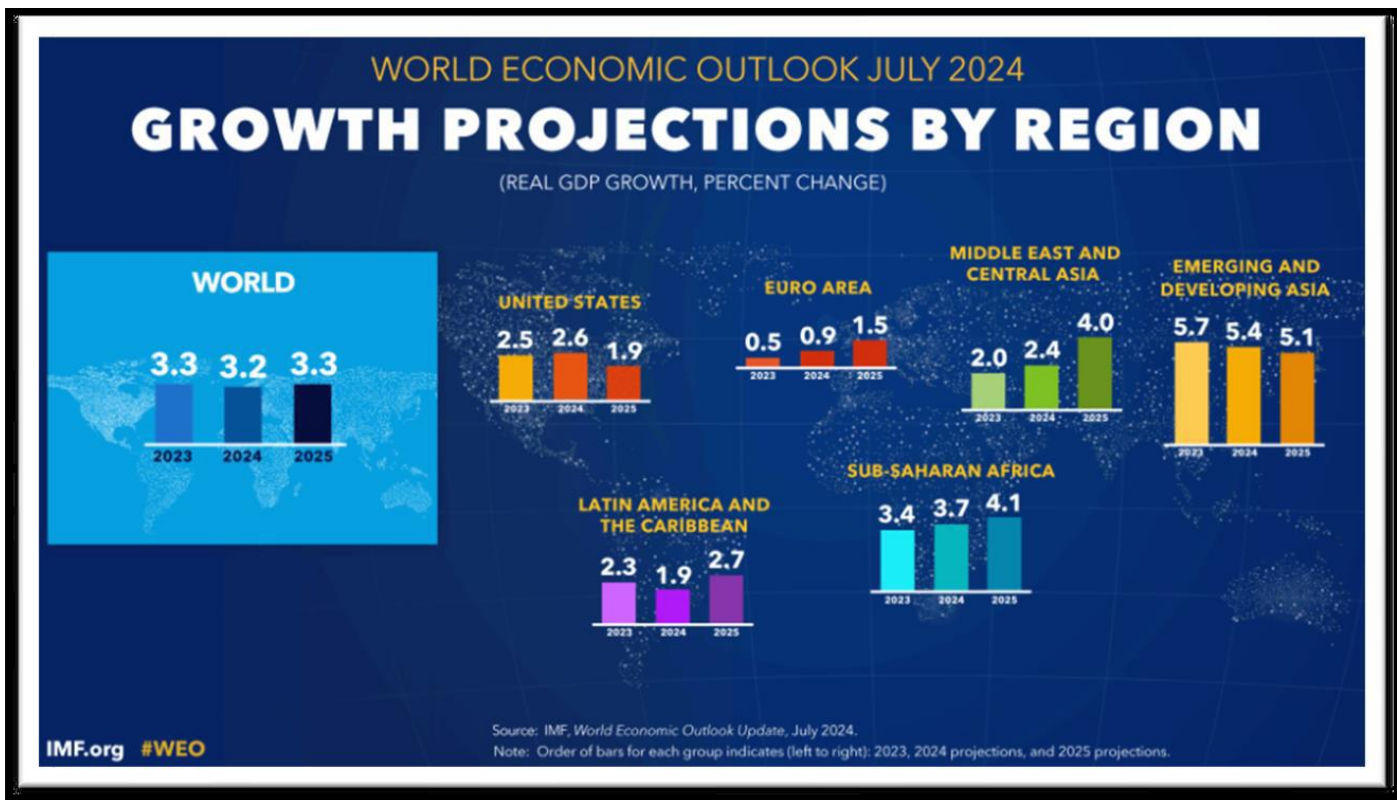
Disinflation Amid Economic Resilience

Economic activity was surprisingly resilient during the global disinflation of 2022–23. Growth in employment and incomes has held steady as favourable demand and supply developments have supported major economies, despite rising central bank interest rates aimed at restoring price stability. As inflation converges toward target levels and central banks pivot toward policy easing, a tightening of fiscal policies aimed at curbing high government debt levels, with higher taxes and lower government spending, is expected to weigh on growth. The pace of expansion is also expected to remain low by historical standards as a result of factors including the long-term consequences of the COVID-19 pandemic, Russia’s invasion of Ukraine, weak growth in productivity, and increasing geoeconomic fragmentation.

In late 2023, headline inflation neared its pre pandemic level in most economies for the first time since the start of the global inflation surge. In the last quarter of 2023, headline inflation for advanced economies was 2.3 percent on a quarter-over-quarter annualized basis, down from a peak of 9.5 percent in the second quarter of 2022. For emerging market and developing economies, inflation was 9.9 percent in the last quarter of 2023, down from a peak of 13.7 percent in the first quarter of 2022, but this average was driven by high inflation in a few countries; for the median emerging market and developing economy, inflation declined to 3.9 percent. This progress notwithstanding, inflation is not yet at target in most economies.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

GLOBAL GROWTH OUTLOOK PROJECTIONS (REAL GDP, Y-O-Y CHANGE IN %)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>)

Advanced Economies Group

The global economic landscape for advanced economies is currently marked by heightened uncertainty due to persistently elevated inflation and the prospect of higher-for-longer interest rates. Central banks in major economies have become more cautious about policy easing, with markets revising down expectations for rate cuts in 2024. This environment has led to upward pressure on real interest rates, particularly in the U.S., where medium- to long-term yields have fluctuated due to shifts in demand for Treasuries. The strong dollar, fueled by these rate disparities, is causing depreciation pressures on other major currencies, notably the Japanese yen, prompting market interventions. The risk of prolonged dollar strength is exacerbating external and financial risks, as it disrupts capital flows and complicates monetary policy efforts to ease conditions, which in turn may hinder growth prospects.

At the same time, elevated interest rates are putting a strain on fiscal dynamics. Higher borrowing costs are becoming a challenge for maintaining fiscal stability, especially in countries with slower growth rates. Advanced economies face the additional pressure of managing these risks while also addressing post-crisis legacies such as depleted fiscal buffers and sluggish medium-term growth. Policymakers are encouraged to carefully calibrate fiscal and monetary policies, gradually easing monetary policy where inflation is stabilizing, while prioritizing fiscal consolidation. The challenge ahead involves balancing short-term inflation management with long-term growth strategies, such as improving labour supply through better integration of women and immigrants and revitalizing productivity to counteract demographic pressures.

Emerging Market and Developing Economies Group

Emerging markets and developing economies face a challenging economic environment shaped by global inflationary pressures and volatility in capital flows. These economies are particularly vulnerable to currency depreciation, driven by the strong U.S. dollar and elevated interest rates in advanced economies. Since April 2024, emerging markets have experienced net capital outflows, with currencies coming under pressure due to narrowing interest rate differentials with the U.S. Central banks in these regions have been navigating the difficult task of controlling inflation while managing the risks of exchange rate fluctuations. Countries with more robust economic fundamentals or those benefiting from commodity exports—such as copper, linked to artificial intelligence hardware production—have managed to offset some depreciation pressures.

Moreover, emerging markets face heightened refinancing risks as international sovereign bond issuance has slowed, while some frontier markets are pre-emptively securing financing for upcoming redemptions despite elevated costs. Policymakers are

encouraged to allow exchange rate flexibility while using foreign reserves cautiously to avoid exacerbating currency volatility. Maintaining fiscal discipline remains critical, especially as prolonged global uncertainty could strain financial markets further. Meanwhile, macroprudential policies are essential for mitigating vulnerabilities related to foreign-currency-denominated debt, as well as ensuring that structural reforms are in place to boost productivity, enhance labor markets, and promote long-term growth.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>)

INDIAN ECONOMY

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

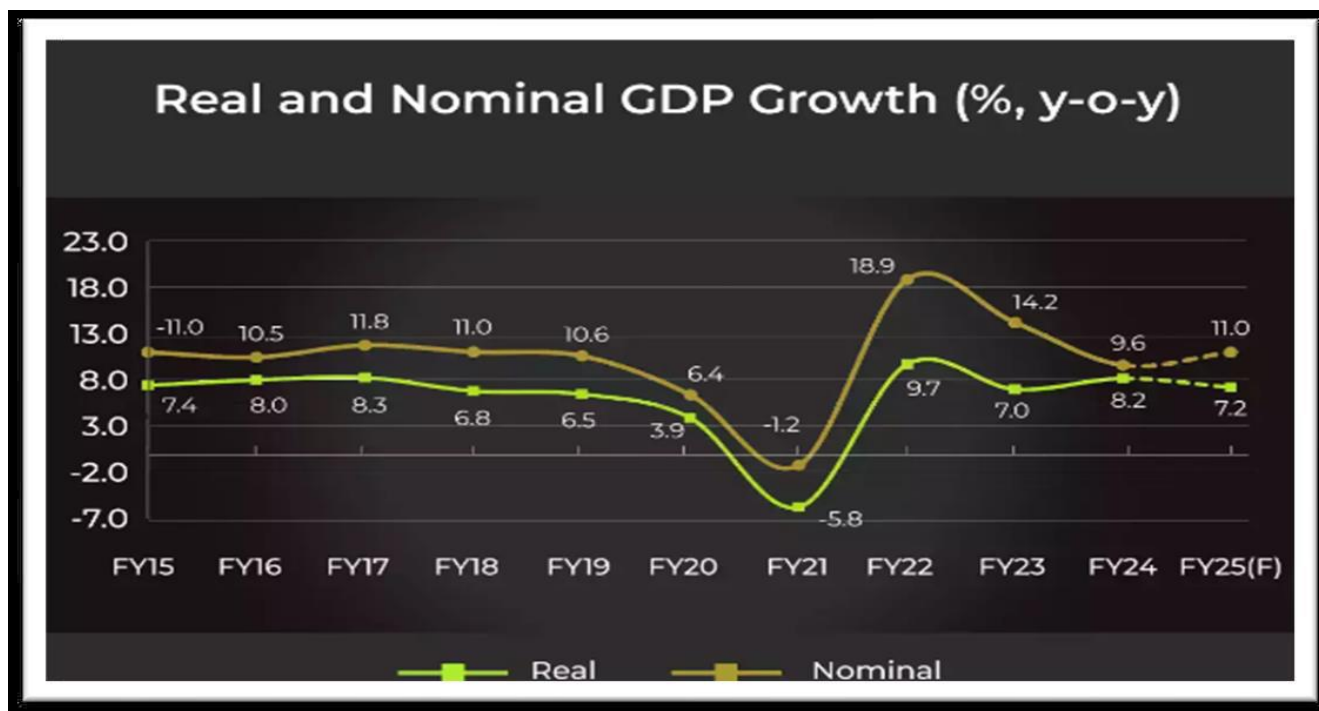
India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

India is expected to remain one of the fastest growing economies in the world

India's economy has shown remarkable resilience, emerging as the fifth-largest economy globally in FY23, driven by strong economic growth in the first quarter. The nominal GDP for 2023-24 is projected at ₹295.36 lakh crores (approximately \$3.54 trillion), reflecting a growth of 9.6% compared to a higher rate of 14.2% in the previous year. This growth is primarily fueled by robust domestic demand for consumption and investment, along with the government's focus on capital expenditure. During April-June 2025, India's exports reached \$109.11 billion, with engineering goods, petroleum products, and electronic goods being the top contributors. Rising employment and improved consumer sentiment are expected to bolster GDP growth in the coming months.

Looking ahead, the government's future capital spending is anticipated to benefit from factors such as increased tax revenue, a streamlined tax system, and digitization of tax processes. In the medium term, enhanced capital investments in infrastructure and asset-building initiatives are likely to yield significant growth multipliers. The recovery of the contact-based services sector, supported by pent-up demand, is also expected to contribute positively to economic growth, as indicated by strong performance in high-frequency indicators. With these factors in play, India is positioned to be one of the fastest-growing major economies and is on track to become one of the top three economic powers globally within the next 10 to 15 years, backed by its robust democratic framework and strong international partnerships.

India's economy expected to grow at 6.8% in fiscal 2025



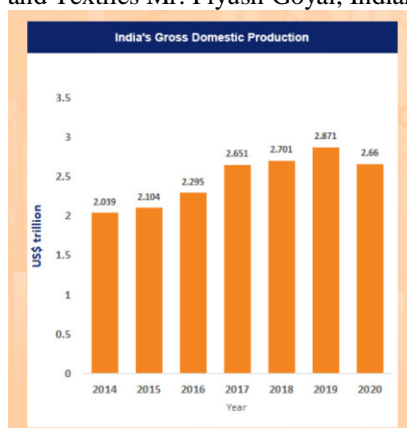
(Source: <https://economictimes.indiatimes.com/news/economy/indicators/union-budget-2024-look-at-india-gdp-growth-rate-2023-24-indian-economy-gdp-growth-what-is-gdp/articleshow/111398481.cms?from=mdr>)

MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at ₹ 173.82 lakh crores (US\$ 2.08 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of ₹ 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 23.2 billion for the 2023-24 compared to US\$ 67.0 billion or 2.0% of GDP in the preceding year. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.



RECENT DEVELOPMENTS

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

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of July 5, 2024, India's foreign exchange reserves stood at US\$ 657.15 billion.
- In May 2024, India saw a total of US\$ 6.9 billion in PE-VC investments.
- Merchandise exports in June 2024 stood at US\$ 35.20 billion, with total merchandise exports of US\$ 109.96 billion during the period of April 2024 to June 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In June 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at ₹ 1.74 lakh crore (US\$ 20.83 billion) vs ₹ 1.73 lakh crore (US\$ 20.71 billion)
- Between April 2000–March 2024, cumulative FDI equity inflows to India stood at US\$ 97 billion.

- In May 2024, the overall IIP (Index of Industrial Production) stood at 154.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 136.5, 149.7 and 229.3, respectively, in May 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.08% (Provisional) for June 2024.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to ₹ 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold ₹ 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January- (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to ₹ 10 lakh crore (US\$ 120.12 billion) over ₹ 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at ₹ 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is ₹ 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

INDIA CONSUMER ELECTRONICS MARKET

India Consumer Electronics Market was valued at USD 80.8 Billion in 2024 and is expected to reach USD 149.1 Billion by 2033, at a CAGR of 6.10% during the forecast period 2024 – 2033.

Consumer electronics are electronic (analog or digital) equipment and devices intended for everyday use, typically in private homes. Consumer electronics include devices used for entertainment, communications and recreation. Consumer electronics (CE) refers to devices used for communication, entertainment, or information purposes. Over the years, manufacturers developed new devices and reinvented older ones.

INDIA CONSUMER ELECTRONICS MARKET: GROWTH FACTORS

Indian Consumer Electronics industry is mainly driven by various factors such as increasing disposable income, increasing youth population, growing internet penetration, growing demand for advanced computing devices among the working population, evolving consumer preferences, and technological advancements.

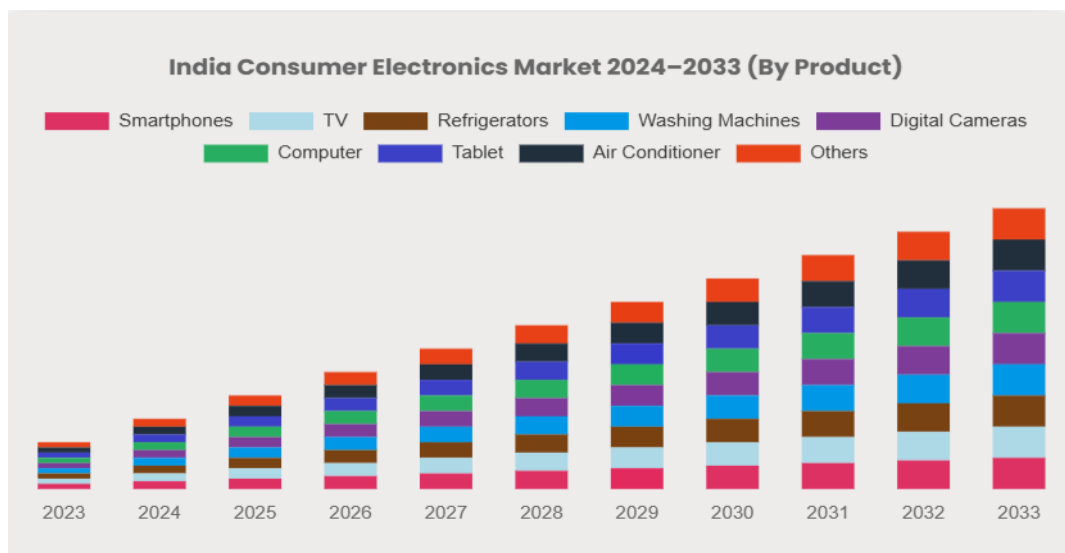
Indian Consumer Electronics Industry dynamics are shifting rapidly. The quality and affordability of consumer electronic gadgets have been key drivers of this rapid change. With the growing economy, people's disposable income is also increasing in India, which fuels the demand for consumer electronics.

For instance, India's GDP is expected to more than double over the next decade, reaching USD 7.5 trillion with an expected annual growth of 6.6%. At the same time, per-capita income is expected to double, and the country is projected to have five times as many high-income households by 2031, which in turn is expected to increase the purchasing power parity, thereby driving demand for consumer goods.

Growing demand for quality consumer electronics products is expected to drive the market growth during the forecast period. In the age of the Internet and hyper connected world, consumers have become more cautious about the worth of electronic gadgets they purchase.

With the hi-tech revolution, consumers are looking for devices that offer superior performance, durability, and reliability. According to a survey conducted by Custom Market Insights, 95% of consumers read online reviews before they shop, and 58% say they would pay more for the products of a brand with good reviews. This indicates that product quality is key when making a purchase decision. Furthermore, the right product price balance has also played an important role in driving this transformation. Consumer goods companies understand the importance of offering value for money to consumers by offering feature-rich devices at competitive rates. Thus, above mentioned factors are expected to drive the market growth during the forecast period.

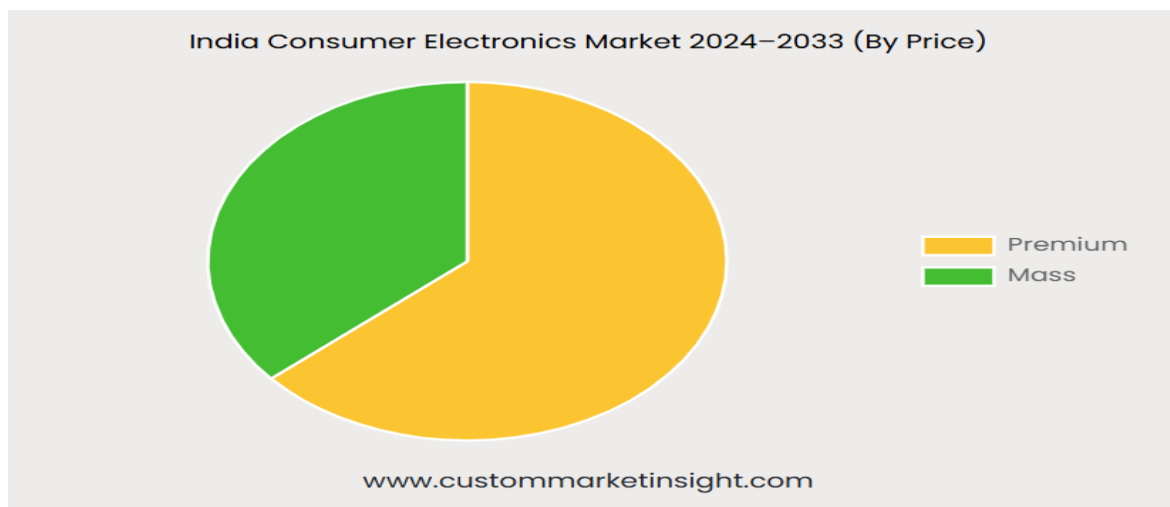
Furthermore, an increasing internet penetration and growing integration of various emerging technologies in consumer electronics devices such as Artificial Intelligence, Internet of Things, Augmented Reality, Virtual Reality, Remote Access, advancements in microcontrollers and advanced personalification technologies are expected to increase the adoption of the consumer electronics devices among working and young population, thereby driving the market growth.



INDIA CONSUMER ELECTRONICS MARKET: RESTRAINTS

Various factors such as less adaption and utilization in rural areas, semiconductors and other electronics component shortage in India, overdependence on imports, fluctuation in raw material prices, stringent government regulations about data privacy, growing counterfeiting of consumer electronics, higher prices of consumer electronics are restraining the market growth during the forecast period.

However, by applying the right pricing strategies, increasing domestic semiconductor and other electronics component production, and effectively coping with government regulations, consumer electronics companies can overcome the above-mentioned challenges and increase market share in the Indian market.



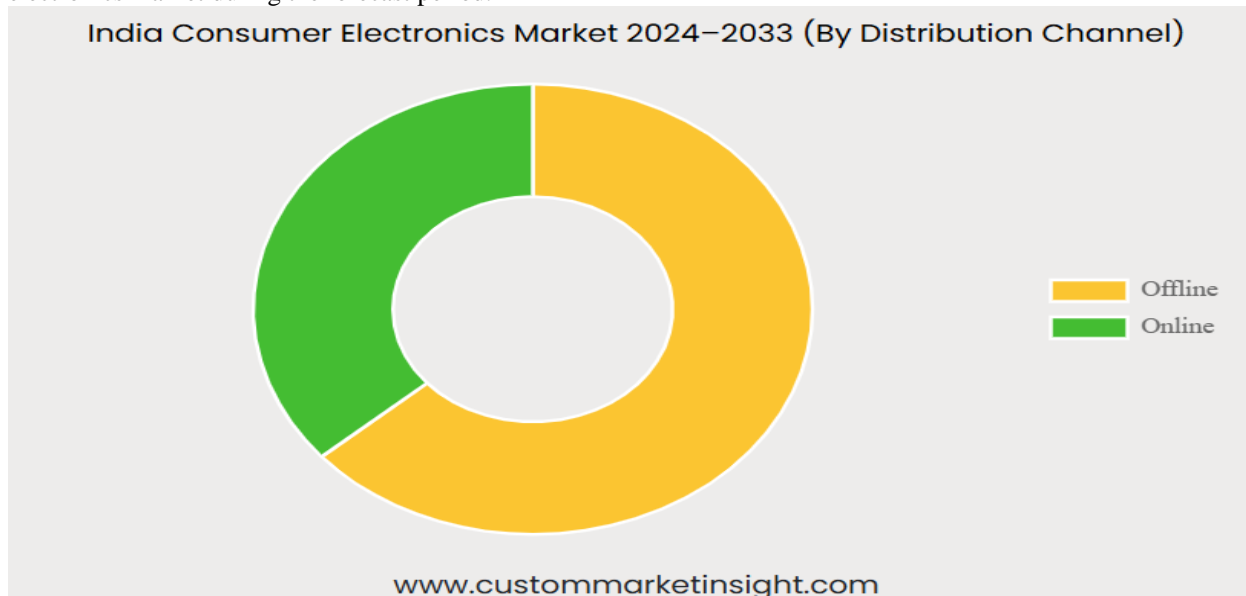
INDIA CONSUMER ELECTRONICS MARKET: OPPORTUNITIES

An increasing penetration of E-commerce platforms in urban, semi-urban and rural areas is expected to create lucrative opportunities for market growth during the forecast period. The growth of e-commerce platforms such as Flipkart, amazon, and respective company's websites has made consumer electronics devices easily available to a broader audience in the Indian market.

The growing popularity of online purchasing due to alluring discount offers and easy and instalment payment options is boosting the sales of consumer electronics devices across the country, which in turn creates lucrative opportunities for the market during the forecast period.

The IT industry in India is thriving, and there is no shortage of highly talented and skilled IT forces in India. From engineers and software experts to technicians, India's skilled IT labour has greatly contributed to developing consumer electronics manufacturing. Furthermore, supportive government policies and initiatives such as the Production Linked Incentive Scheme and The 'Make in India' initiative and growing subsidies for local manufacturing are attracting global players in the Indian Market.

Recently, the Ministry of Electronic and Information Technology proposed incentives for local smartphone manufacturers in the country. Thus, such supportive government policies and initiatives are expected to create lucrative opportunities for the consumer electronics market during the forecast period.



(Source: <https://www.custommarketinsights.com/report/india-consumer-electronics-market/#:~:text=India%20Consumer%20Electronics%20Market%20was,use%2C%20typically%20in%20private%20homes.>)

CAMERA ACCESSORIES INDUSTRY OUTLOOK FROM 2024 TO 2034

Camera Accessories Market Analysis by Product Type (Memory Cards, Bags & Cases, Tripods & Support, Lenses & Filters, Flashes, Batteries & Power, and Other Product Type), Packaging Types (Folding Cartons, Clear View Boxes, Pouches & Bags, Clamshells, Blister Packs, and Trays), Price Range (Economy, Mid-Range, and Premium), Sales Channel (Retail Outlets (Multi-Brand Outlets), Electronic Stores, Franchise Outlets, Exclusive Stores (Branded Stores), E-Commerce, and Other Sales Channels) & Region.

The global camera accessories industry is anticipated to surpass USD 3,481.1 million in 2024 and is expected to experience significant growth, reaching USD 13,107.8 million by 2034. Forecasts indicate a strong CAGR of 14.2% during the projected period.

In 2023, revenue from camera accessories reached USD 3,411.8 million, and the market is likely to demonstrate a noteworthy year-on-year growth of 2.0% in 2024.

Lens & filters holds the largest market share in product type and it is estimated that its share will exceed 24.3% in the coming years with a compound annual growth rate of (CAGR) 3.7%.

This popularity is due to the important contribution these lenses make in improving photo functions and attracting both casual and professional photographers.

In addition, the rising interest in photography as a leisure and career activity resulted in the need to develop enhanced camera related products. The continuous evolution of technologies with features like image stabilization and high resolution makes them more popular with users who want better image results.

Global Camera Accessories Industry Assessment

Features	Key Insights
Actual Size, 2023	USD 3,411.8 million
Estimated Size, 2024	USD 3,481.1 million
Projected Size, 2034	USD 13,107.8 million
Value-based CAGR (2024 to 2034)	14.2%

2019 to 2023 Global Camera Accessories Sales Outlook Compared to Demand Forecast from 2024 to 2034

The global camera accessories market witnessed robust growth with a CAGR of 9.5% during the period from 2019 to 2023. This market segment demonstrated significant expansion, reaching a market size of USD 3,411.8 million in 2023, up from USD 2,376.3 million in 2019.

The camera accessories market experienced significant growth due to the widespread embracing of photography as a popular hobby and profession globally. The growing interest in photography, driven by social media trends and digital content creation, led to an increased demand for advanced camera accessories. Furthermore, technological advancement in cameras, including mirrorless and DSLR models, created a need for compatibility and innovative accessories.

Some of the constraints that were observed with the key manufacturers in the camera accessories sector include High variability in the cost of raw materials and foreign exchange fluctuations which impact production costs. Also, ever-shifting political and economic situations such as trade wars between the largest global economies affect the market's pricing and supply chain.

The industry has been on the rise on a global level due to growing demand among most photography lovers for better imaging devices and related accessories.

This period also witnessed lucid requirements for better and enhanced camera accessories, hence the manufacturers aggressively focused on research and innovation of upgraded products which are matching up with consumer demands.

Projected demand for the next decade or prospective demands in the period between 2024 and 2034 also estimate a steep rise in the requirement for camera lenses and storage media. This can be particularly credited to the innovation in imaging technologies, the social trends of picture sharing, as well as the incorporation of photography in several professions as well as day-to-day life.

Moreover, there are newer applications that are still to gain the market such as AI-imaging processing and connectivity are expected to be a major boost in the camera accessories market space in the future.

Consumers are demanding additional products that can be used to improve the effectiveness of the camera and therefore, they will spend more money on camera accessories over the forecast period.

Consequently, the prospects for firms that operate in the camera accessories market will continue to grow over the coming years if they are capable of identifying how and where they can improve the customers' photography experience in their products to produce favorable outcomes.

Increasing Demand for High Resolution Image Capture and Video Content Creation

The market of camera accessories experiencing strong growth due to the need to achieve better image quality and video production. These industries are mainly driven by the improvement in camera technology where both the consumer and professional can produce good quality visuals.

Lenses, tripods lighting solutions, and storage solutions are the most sought-after accessories because they augment the performance of contemporary cameras, allowing users to shoot better images and videos.

In addition, social media platforms and sites for content creation, video streaming, and other social purposes have contributed to this increase in the growth of logo design, as creating a unique, eye-catching logo is crucial for everyone, both individuals and companies.

These trends are being met by product development from manufacturers in the form of compact solutions for the roving content creators to complex systems for the motion picture director and camera operator.

Furthermore, Artificial intelligence and machine learning applications play a vital role in the camera accessories market thus the industry is expected to change rapidly due to settings automation and image quality improvement, among others. So, the analysis of the global market for camera accessories has to take into account the fact that the need for high-definition visuals is enhanced across various industries including advertising and entertainment, e-commerce, etc., therefore prescribing constant

Increasing Consumer Demand for High-Quality Photographic Equipment and Accessories

The camera accessories industry in the globe is growing at a fairly developed pace mainly because consumers are looking forward to advanced and sophisticated photographic solutions and accessories available in the market. This increase in demand is underlined by people’s passion for photography supported by developments in digital imaging technology and social media that foster sharing of visual content.

Consumers are now paying for accessories like lenses, tripods, filters, and lighting equipment so as can achieve some professional-like image. Besides, due to the smartphone photography trend, the mark has expanded even wider with the help of such accessories as smartphone lenses or stabilizers.

Furthermore, people are now into influencer marketing and vlogging which has created the need for product accessories made for shooting videos. Manufacturers are not standing idle and are coming up with solutions that address changing demands from consumers besides tapping on technology enablers like artificial intelligence and wireless connection.

Therefore, the scene has been set for further growth of the market for camera accessories though market saturation is not a big concern here, the growing use of technology, greater consumer awareness, and the demand for greater use of visuals in different social media platforms are some of the reasons that point towards the growth of the camera accessories market.

Source: <https://www.futuremarketinsights.com/reports/camera-accessories-market>

Camera Accessories Market Report Highlights	
Aspects	Details
 Market Size By 2033	USD 10.7 Billion
 Growth Rate	CAGR of 11%
 Forecast period	2024 - 2033
 Report Pages	250
 By Type	<ul style="list-style-type: none"> • Lenses • Bags and Cases • Tripods • Batteries and Chargers • Others
 By Distribution Channel	<ul style="list-style-type: none"> • Online • Offline
 By Region	<ul style="list-style-type: none"> • North America (U.S., Canada, Mexico) • Europe (France, Germany, Italy, Spain, UK, Russia, Rest of Europe) • Asia-Pacific (China, Japan, India, South Korea, Australia, Thailand, Malaysia, Indonesia, Rest of Asia-Pacific) • LAMEA (Brazil, South Africa, Saudi Arabia, UAE, Argentina, Rest of LAMEA)
 Key Market Players	Ricoh Co. Ltd., Panavision Inc., SIGMA Corp., Transcend Information Inc., RED Digital Cinema LLC, Sony Group Corp., Olympus Corp., The Vitec Group Plc, Rollei GmbH and Co. KG., Panasonic Holdings Corp.

India Photography Equipment Market Synopsis

The India photography equipment market is expected to reach USD 8,146.8 million by 2026 at a CAGR of 7.2%. Growth in the region has been driven by increased internet penetration, improved mobile phone cameras and rising disposable income among consumers over the projected period. Increasing applications of camera devices across commercial and personal sectors have further fuelled demand for photography equipment in India. Additionally, growing investments from major players such as Canon and Nikon Corporation are also contributing to industry growth during the forecast period. Growing awareness amongst millennials about digitalization has enabled them to take up professional photography which consequently driving sales of cameras and related accessories across India.

Drivers of the Market:

Increasing Internet Penetration: The growing number of internet users in urban areas has enabled easier access to online platforms featuring basic & advanced level photographic courses that help users learn more about product features & technical aspects related to imaging technology products before purchase decisions are made; this is likely to drive market growth during the forecast period. **Growing Use of Smartphones with Improved Camera Quality:** Rising usage of smartphones having high resolution cameras along with enhanced editing capabilities on an array available apps have led people towards taking up amateur/professional photography which will propel demand for specialized camera systems & lenses over the coming years thereby driving overall market demand during 2020-2026 timeline under review herewith.

Challenges of the Market:

High Costs Involved in Professional Photography Equipments: High cost involved associated with professional grade DSLRs or mirrorless cameras limits their adoption rate among large user groups thus hindering overall growth opportunities for Photography Equipment Market Players operating across Indian Subcontinent During Projected Period Under Review Herewith.G538+I548

Key Players of the Market:

Major companies operating within India Photography Equipment Market include Canon Inc., Sony Corporation, Panasonic Corporation, Olympus Imaging Corp., Fujifilm Holdings Corp., Samsu Electronics Co Ltd., Ricoh Imaging Incorporated (Pentax), Sigma Corporation etc.. These aforementioned Companies offer wide range off Products ranging from Point & Shoot Cameras , Digital SLRs , Mirror Less Cameras Systems , Lenses Range Finders And Number Of Accessories Such As Tripods Flash Units Memory Cards Etc To serve end user needs over projection period under review here within.

Source: <https://www.6wresearch.com/industry-report/india-photography-equipment-market-2020-2026>

THE INDIAN MEDIA & ENTERTAINMENT (M&E) SECTOR

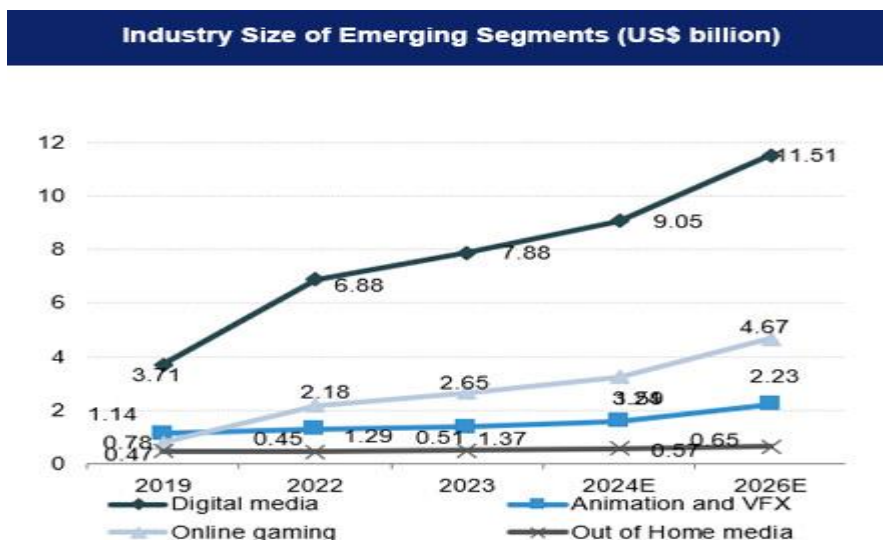
The Indian Media & Entertainment (M&E) sector is set for substantial growth, with a projected 10.2% increase, reaching ₹ 2.55 trillion (US\$ 30.8 billion) by 2024 and a 10% CAGR, hitting ₹ 3.08 trillion (US\$ 37.2 billion) by 2026. Advertising revenue in India is projected to reach ₹ 330 billion (US\$ 3.98 billion) by 2024. The share of traditional media (television, print, filmed entertainment, OOH, music, radio) stood at 57% of the media and entertainment sector revenues in 2023. According to a report by ICRA, the revenue for the print media industry is expected to grow by 8-10% in FY24.

The country's entertainment and media industry is expected to see a growth of 9.7% annually in revenues to reach US\$ 73.6 billion by 2027.

In the year 2023, the revenue from subscriptions for over-the-top video platforms across India amounted to approximately US\$ 0.88 billion. This was expected to peak at over US\$ 1.2 billion by 2026

According to Media Partners Asia's Asia Pacific Video & Broadband Industry 2024 report, India's video market, encompassing both TV and digital, is projected to grow from \$13 billion in 2023 to \$17 billion by 2028.

The Indian media and entertainment sector posted a robust 19.9% growth in 2022 and crossed the ₹ 2 trillion (US\$ 24 billion) mark in annual revenue for the first time led by a sharp jump in the digital advertising mop-up.



Source: EY report

In 2024, the projected revenue in the Digital Media market in India is expected to reach US\$ 10.07 billion. It is expected to contribute 38% to the overall advertising industry in India, on par with television.

The OTT segment is likely to grow at a remarkable CAGR of 14.1% to reach ₹ 21,032 crore (US\$ 2.55 billion) in 2026. Subscription services, which accounted for 90.5% of revenue in 2021, are projected to account for 95% of revenue by 2026.

The AVGC sector is estimated to grow at ~9% to reach ~₹ 3 lakh crore (US\$ 43.93 billion) by 2024, stated Union Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Mr. Piyush Goyal.

2023 recorded US\$ 575 million in PE/VC investments in the media and entertainment sector, an 84% decline y-o-y.

In Q3 of CY23, eight deals were recorded in the media and entertainment sector of India at US\$ 269 million. FDI inflows in the information and broadcasting sector (including print media) stood at US\$ 10.99 billion between April 2000-March 2024.

Indian Over-The-Top (OTT) platforms have demonstrated significant growth in the global market, witnessing a 194% increase in revenue from international viewers over the last two years.

The Indian OTT audience universe currently stands at 481.1 million people, of these, 138.2 million are active paid OTT subscriptions in India.

India's Direct-To-Home (DTH) Services market is expected to expand to US\$ 7.59 billion in 2029 from US\$ 6.48 billion in 2023, growing at a CAGR of 2.8%.

India's SVOD subscriptions reached 130.2 million in 2022 compared to 110.5 million in 2021.

As per GroupM's TYN report 2023, India was ranked 8th by global ad spend, and will continue as the fastest growing market among the top 10 ad markets in 2023.

Advertising revenue in India is projected to reach ₹ 330 billion (US\$ 3.98 billion) by 2024.

Key growth drivers included rising demand for content among users and affordable subscription packages.

India's media and entertainment industry is the fifth largest market globally and is growing at the rate of 20% annually, according to Union Information and Broadcasting Minister Mr. Anurag Thakur.

The Indian mobile gaming market is poised to reach US\$ 7 billion, in value, by 2025. The online gaming segment grew 22% to become the fourth largest segment of the Indian M&E sector in 2023, displacing filmed entertainment.

India recorded about 455 million online gamers in the year 2023. This was an eight percent growth from the previous year and is likely to reach over 491 million by 2024. About 90 million of these gamers reportedly paid for online games that year.

The music industry is expected to reach US\$ 445 million by 2026 from US\$ 180 million in 2019. According to a study conducted by Kantar and VTION, an audience measurement and analytics company, Gaana, the streaming service owned by Times Internet Ltd., had 30% market share, followed by JioSaavn (24%), Wynk Music (15%), Spotify (15%), Google Play Music (10%), and others (6%) in 2020.

The FICCI EY media and entertainment report 2023 said that in 2023, music streaming in India had an audience of approximately 185 million of which the paid subscriber base was just around 7.5 million.

About 1 million music streams were played every 3 minutes in FY23, totalling 460 million streams per day, according to a report by RedSeer Strategy Consultants. Spotify led India's music and audio streaming market in FY23 with a 26% share, as compared to just 11% share in FY20.

Growth of the sector is attributable to the trend of platform such as YouTube that continues to offer recent and video content-linked music for free, which is expected to drive the paid OTT music sector reaching ~5 million end-users by 2023, generating revenue of ~₹ 2 billion (US\$ 27 million).

By 2025, the number of connected smart televisions are expected to reach ~40-50 million. 30% of the content viewed on these screens will be gaming, social media, short video, and content items produced exclusively for this audience by television, print and radio brands. By 2025, ~600-650 million Indians, will consume short-form videos, with active users spending up to 55 to 60 minutes per day.

OTT video services market (video-on-demand and live) in India is likely to grow US\$ 4.1 billion in 2024 and reach US\$ 7 billion by 2027, driven by rapid developments in online platforms and increased demand for quality content among users.

Source: <https://www.ibef.org/industry/media-entertainment-india>

This space is intentionally left blank

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled “Risk Factors”, beginning on page 25 of this Draft Red Herring Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about Our Company and its financial statements, including the notes thereto, in the section title “Risk Factors” and the chapters titled “Financial Statements as Restated” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 25, 161 and 163 respectively of this Draft Red Herring Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to “we”, “us”, “our” and “Our Company” are to “IMS Mercantiles Limited”. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Red Herring Prospectus.

OVERVIEW

IMS Mercantiles Limited was originally incorporated as “IMS Mercantiles Private Limited” under the provisions of the Companies Act, 1956. The Certificate of Incorporation, dated August 26, 2003, bearing registration number 121932 and bearing Corporate Identification Number U51395DL2003PTC121932, was issued by the Registrar of Companies, N.C.T. of Delhi and Haryana. On May 31, 2024, following a special resolution passed by our shareholders during an Extraordinary General Meeting, the company was converted into a public limited company. Consequently, the name was changed to “IMS Mercantiles Limited,” with a fresh Certificate of Incorporation issued on August 05, 2024, by the Registrar of Companies, Central Processing Centre, bearing the Corporate Identification Number U51395DL2003PLC121932.

IMS Mercantiles Limited (formerly known as IMS MERCANTILES PRIVATE LIMITED) was founded with a vision to distribute Samsung batteries and color photo Films. Since its inception, the company has significantly evolved and is now a brand name in the distribution of photographic accessories, rechargeable batteries, chargers, and smartphone accessories. Our outstanding after-sales service has been pivotal in establishing our strong reputation in the Indian market.

The initial idea for incorporating the company was conceived by late Mr. Suresh Saraf, whose visionary leadership laid the foundation for our business. Our Chairman and Managing Director, Mr. Amit Kumar Saraff and Whole-Time Director, Mr. Deepak Saraf, bring 21 years and 18 years of industry experience, respectively. Their extensive experience has been crucial in shaping the vision and strategic direction of the company. The expertise of our promoters and management team has been pivotal in achieving and maintaining our market position.

Over the past two decades, IMS Mercantiles Limited has established a robust market presence and earned a reputation for reliability and quality. Our current board of directors, including Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, and Ms. Shalu Saraf, continues to uphold and advance the company’s mission. We remain dedicated to delivering high-quality products and after sale services, ensuring ongoing customer satisfaction and reinforcing our leadership in the market.

After Completion of the importation process, IMS Mercantiles Limited manages the entire spectrum of distribution, marketing, sales promotions, and servicing. Our robust infrastructure includes strategically located warehouses across the country, enabling efficient distribution of our products nationwide. Additionally, we have partnered with Amazon for storage and distribution at their facilities, facilitating seamless online sales through their platform.

In the initial years, our primary focus was on establishing a comprehensive distributor and dealer network, appointing city-wise distributors to sell our products. From 2020 onwards, we expanded our reach by marketing our products through major online portals such as Jio Mart, Amazon and Flipkart. More recently, we launched our own e-commerce website, <https://www.digitek.net.in/>, which has garnered a positive response. We are committed to further enhancing our online presence and growing our business through this channel.

We offer a diversified range of products with focus on Photographic Accessories, LED Lights, Tripods, Mobile phone Accessories, Microphone, Filters, Batteries, Chargers and others. Our offering includes more than 600 SKUs across product categories from more than 5 brands.

The Digitek and Envie brands, known for their superior quality, have successfully collaborated on bundle promotions with prestigious multinational companies such as **Canon, Nikon, Fujifilm, and Panasonic**.

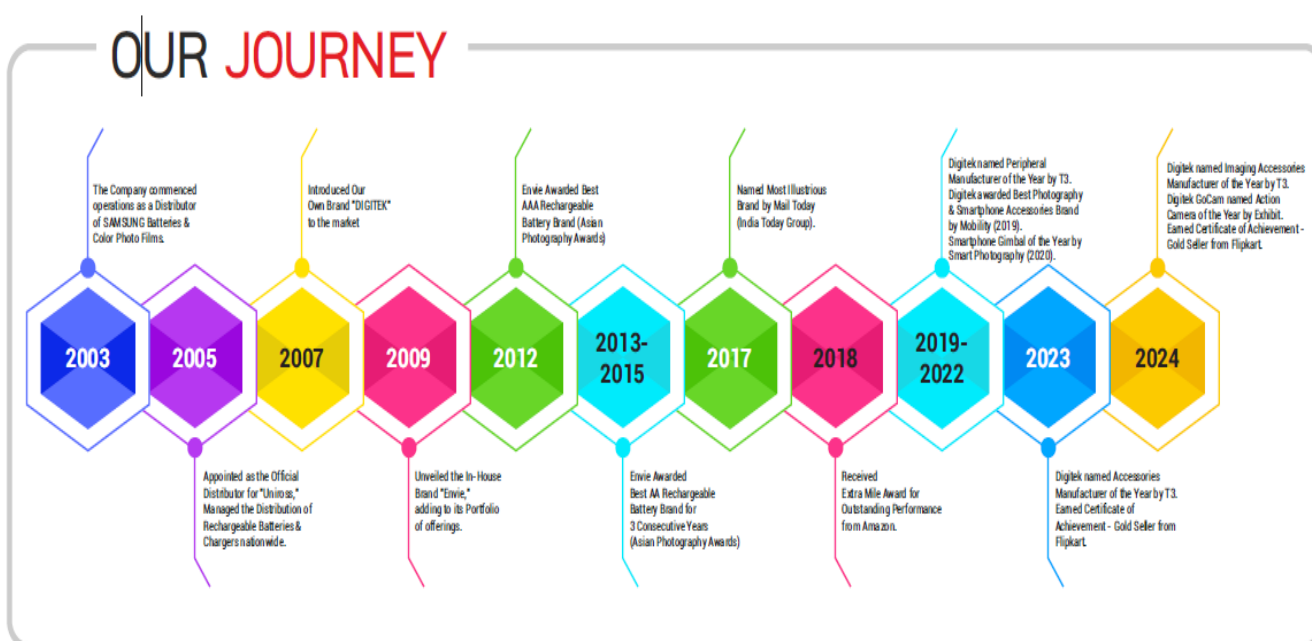
Our commitment to delivering high-quality products is central to our business philosophy, fostering trust and loyalty among our customers. We view our consumers as crucial partners in our innovation process, using their feedback to guide the development of products and services that incorporate the latest technology. To enhance customer trust, IMS has established its own service center in Delhi, while partnering with local service centers for support across the rest of India, providing accessible and reliable after-sales support to ensure customer satisfaction.

IN-HOUSE BRANDS

IMS Mercantiles Limited proudly owns two prominent in-house brands, **Digitek** and **Envie**. These brands offer a diverse range of products designed to meet various customer needs. Through Digitek and Envie, we cater to a broad spectrum of requirements, reinforcing our commitment to quality and innovation in our product offerings.

Our commitment to excellence is underscored by our various WPC / ETA Certificates and BIS registration. These prestigious certifications reflect our adherence to rigorous quality management systems and industry standards. These certifications not only validate our dedication to delivering superior products and services but also reinforce our commitment to continuous improvement and operational excellence across all facets of our business.

OUR JOURNEY



OUR ONLINE & OFFLINE PRESENCE

Registered Office: 704, 7th Floor, Ring Road Mall, Sector - 3, Rohini, Delhi - 110085

Logistic offices in 3 State
i.e Delhi, Mumbai & Kolkata

Our Online Store:
www.digitek.net.in
E-commerce Partners: Jio Mart,
Amazon & Flipkart
Quick Commerce Partners: Blinkit
& Zepto

400+
Distributors

40+
Super Distributors

40,000+
Retailers Nationwide

KEY PERFORMANCE INDICATORS OF OUR COMPANY

Our key financial performance indicator as per Restated Financial Statements (₹ in Lakhs, otherwise mentioned) are detailed as below:

(Amount in ₹ lakhs, except EPS, % and ratios)

Particulars	Period ended	Financial Year ended		
		July 31, 2024	March 31, 2024	March 31, 2023
Revenue from operations ⁽¹⁾	6708.48	17610.59	13484.15	12,790.86
EBITDA ⁽²⁾	643.10	1543.86	818.98	831.68
EBITDA (%) Margin ⁽³⁾	10%	9%	6%	7%
ROCE (%) ⁽⁴⁾	14.17%	30.83%	19.28%	22.63%
Current Ratio ⁽⁵⁾	2.61	2.56	2.18	2.09
Operating Cash flow ⁽⁶⁾	-387.45	740.37	-252.34	377.55
PAT ⁽⁷⁾	444.66	1006.82	484.36	483.21
ROE/ RONW ⁽⁸⁾	12.38%	37.02%	24.53%	30.82%
EPS ⁽⁹⁾ (before considering bonus)	2.88	45.78	22.02	21.97

Notes:

(1) Revenue from operations is the total revenue generated by our Company.

(2) EBITDA is calculated as Profit before (Extraordinary and Exceptional Items and tax + Depreciation + Interest Expenses - Other Income

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

(4) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt

(5) Current Ratio: Current Asset over Current Liabilities

(6) Operating Cash Flow: Net cash inflow from operating activities.

(7) PAT is mentioned as PAT for the period

(8) ROE/RONW is calculated PAT divided by shareholders' equity

(9) EPS is mentioned as EPS for the period

KPI	Explanation
Revenue from operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.

Revenue Growth Rate %	Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA Growth Rate %	EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
ROE/RONW	It is an indicator that shows how much the company is generating from its available shareholders' funds
EPS	Earnings per share is the company's earnings available of one share of the Company for the period

STATE WISE REVENUE

Our company's revenue profile is prominently bolstered by operations in the states of Haryana, Maharashtra and Delhi. These regions constitute a substantial portion of our overall earnings. However, it's important to note that our revenue stream is diversified, with contributions also coming from other states across the country. For visual clarity, please refer to the accompanying table and pie chart that depicts the distribution of revenue contributions from different states.

(₹ in Lakhs)

Name of the State	July 31, 2024	% of Revenue from operation	March 31, 2024	% of Revenue from operation	March 31, 2023	% of Revenue from operation	March 31, 2022	% of Revenue from operation
Haryana	1,583.20	23.60	4,190.55	23.80	4,321.59	32.05	3,435.90	26.86
Maharashtra	992.86	14.80	2,383.10	13.53	1,595.47	11.83	3,284.14	25.68
Delhi	887.53	13.23	2,225.52	12.64	1,600.54	11.87	1,260.09	9.85
West Bengal	690.30	10.29	1,761.13	10.00	1,155.62	8.57	908.22	7.10
Gujarat	201.25	3.00	555.26	3.15	507.02	3.76	566.38	4.43
Punjab	177.77	2.65	552.90	3.14	427.33	3.17	485.70	3.80
Telangana	438.73	6.54	860.70	4.89	595.85	4.42	473.20	3.70
Others	1,736.83	25.89	5080.84	28.85	3280.60	24.33	2376.37	18.58
TOTAL	6,708.48	100.00	17,610.00	100.00	13,484.02	100.00	12,790.00	100.00

VERTICAL WISE REVENUE BIFURCATION

(₹ in Lakhs)

Name of the Vertical	July 31, 2024	% of Revenue from operation	March 31, 2024	% of Revenue from operation	March 31, 2023	% of Revenue from operation	March 31, 2022	% of Revenue from operation
Online	2,818.90	42.02	7,055.37	40.06	4897.46	36.32	5269.86	41.20
Offline	3,889.58	57.98	10,554.63	59.94	8586.54	63.68	7521.14	58.80
TOTAL	6,708.48	100.00	17,610.00	100.00	13,484.02	100	12,790.00	100.00

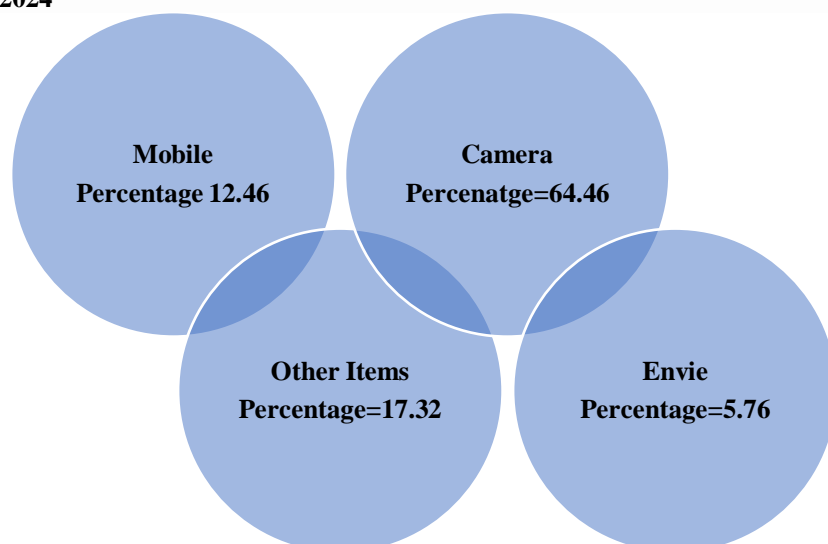
PRODUCT-WISE REVENUE BIFURCATION

(₹ in Lakhs)

Name of the Vertical	July 31, 2024	% of Revenue	March 31, 2024	% of Revenue	March 31, 2023	% of Revenue	March 31, 2022	% of
----------------------	---------------	--------------	----------------	--------------	----------------	--------------	----------------	------

		from operation		from operation		from operation		Revenue from operation
Mobile	835.88	12.46	2,126.01	12.07	1,226.09	9.09	679.60	5.31
Camera	4,324.29	64.46	11,145.09	63.29	8,466.47	62.79	7,986.67	62.44
Envie	386.41	5.76	1,420.01	8.06	1,329.63	9.86	1,320.89	10.33
Other Items	1,161.91	17.32	2,919.23	16.58	2,462.12	18.26	2,803.63	21.92
TOTAL	6,708.48	100.00	17,610.34	100.00	13,484.31	100.00	12,790.79	100.00

Revenue as on July 31, 2024



The Company's main business includes Photographic Accessories, and various other Products which significantly contributes to our overall revenue.

OUR CLIENT BASE

We are confident that our existing strengths and future plans will effectively position us to attract and cultivate new customer relationships. When evaluating new business opportunities, we consider factors such as how well our capabilities align with customer expectations, the potential volume and future growth of the business, opportunities for building long-term partnerships, and a thorough analysis of initial costs.

Listed below are the top 10 customers:

Particulars	% for July 31, 2024	% for March 31, 2024	% for March 31, 2023	% for March 31, 2022
Top 1 Customer	29.25	28.62	26.55	33.78
Top 3 Customer	40.83	40.98	37.34	43.23
Top 5 Customer	48.93	42.84	41.05	46.47
Top 7 Customer	55.40	47.51	45.86	52.43
Top 10 Customer	61.88	51.09	49.01	55.36

Listed below are the top 10 Suppliers:

Particulars	% for July 31, 2024	% for March 31, 2024	% for March 31, 2023	% for March 31, 2022
Top 1 Suppliers	15.72 %	12.61 %	17.54 %	14.97 %
Top 3 Suppliers	29.33 %	36.30 %	33.88 %	30.01 %
Top 5 Suppliers	40.51 %	53.32 %	43.88 %	42.43 %
Top 7 Suppliers	49.60%	63.16 %	52.96 %	51.48 %
Top 10 Suppliers	59.19 %	73.13 %	63.68 %	61.35 %

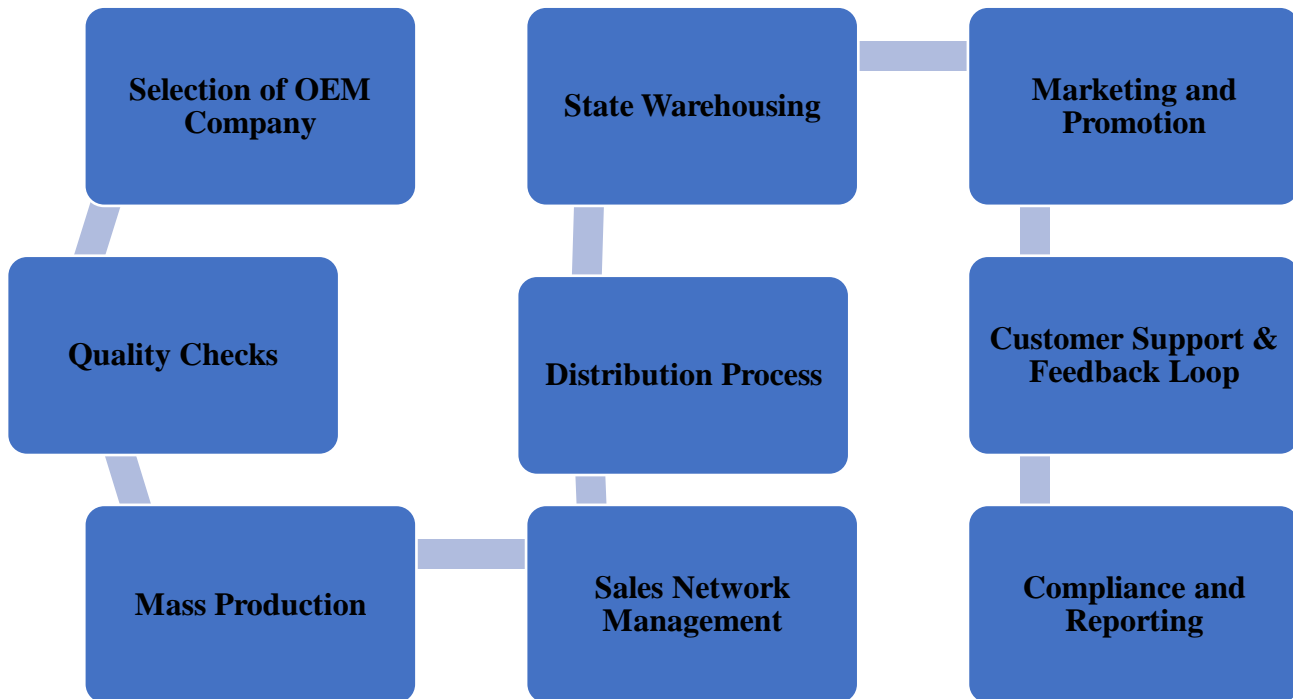
OUR BUSINESS PROCESS FLOW

Our company **IMS Mercantiles Limited** (IMS) entire process of the business is as follows:-

The initial phase of our business strategy involves creating a detailed Product Road Map (PRM) specifically for the Indian market. This comprehensive PRM will outline the strategic plan for product development, market positioning, and growth targets tailored to meet the unique demands of the Indian market.

Following the development of the PRM, the next step is to initiate the sourcing of products. Based on the specifications and quantities outlined in the PRM, we will procure the products. This process ensures that we have the right products in the right quantities to support efficient and timely.

We prioritize importing products that deliver the highest level of utility to our customers, ensuring that each item we offer maximizes their satisfaction and value.



□ Selection of OEM Company:

Select an Original equipment manufacturer (OEM) company to serve as the primary manufacturing hub for IMS products, adhering to the specifications provided by IMS. Conduct thorough due diligence to evaluate and choose OEM vendors, ensuring they meet IMS's internal standards along with international standards of quality and compliance.

□ Quality Checks:

Implement a stringent quality assurance process, ensuring that every stage of production and each finished product undergoes comprehensive evaluation by the quality team. This includes rigorous inspections and tests throughout the manufacturing phases. Only after the quality team has thoroughly reviewed and approved each product will it be cleared for delivery to IMS.

□ Mass Production:

Once the quality checks have been thoroughly completed and all products meet the required standards, proceed to initiate mass production of IMS products. This production will be carried out through the approved original equipment manufacturer (OEM) partners, who have been vetted and approved to ensure alignment with our quality and production specifications.

□ State Warehousing:

Upon arrival of the products in India, promptly transfer them to their assigned state warehouses. This procedure will optimize inventory management and streamline the distribution process. Each warehouse will be set up to efficiently manage storage, monitor inventory levels, and ensure timely delivery to meet regional demand.

□ **Distribution Process:**

Once the products are transferred to the state warehouses, initiate the distribution process, spearheaded by the sales team. This involves coordinating with the sales team to ensure that products are efficiently dispatched to their designated distributors, dealers, and retail chains. The sales team will oversee the logistics, monitor the progress of deliveries, and ensure that products reach their destinations in a timely manner, thereby supporting effective market penetration and customer satisfaction.

The products are also supplied to E-Commerce Partners like Amazon / Flipkart / Jio Mart and Quick Commerce Partners like Blinkit & Zepto. The products are also sold through company's website.

□ **Sales Network Management:**

Collaborate closely with distributors, dealers, and retail chains to enhance and optimize the sales network. This coordination will focus on ensuring widespread availability and visibility of IMS products across various market segments. By working together, we will streamline distribution channels, address any logistical challenges, and implement strategies to maximize product reach and accessibility, ultimately driving increased sales and market presence.

□ **Marketing and Promotion:**

To boost IMS's brand visibility and promote its products in the Indian market, initiate comprehensive market research to understand regional preferences and segment the audience accordingly. Localize branding and messaging to align with Indian cultural values and use regional languages. Enhance digital presence by optimizing the website for local SEO, leveraging social media, and collaborating with local influencers.

□ **Customer Support:**

To establish a robust customer support system, implement a comprehensive approach that effectively addresses queries, concerns, and provides assistance to end-users. Develop a multi-channel support framework that includes phone, email, live chat, and social media platforms to ensure accessibility and convenience for customers. Train support staff thoroughly to handle a range of issues with expertise and empathy, and establish clear protocols for escalating complex cases. Integrate a knowledge base and self-service resources on the company website to empower users with information and solutions.

□ **Feedback Loop:**

Establish a feedback loop to continuously gather insights from the market, distributors, and customers to drive ongoing improvements in products and processes. Implement systematic channels for collecting feedback, such as surveys, focus groups, and direct interactions with stakeholders. Regularly analyze this feedback to identify trends and areas for enhancement. Use these insights to refine product features, optimize processes, and address any issues proactively. Ensure that feedback is acted upon promptly to enhance overall satisfaction and maintain a competitive edge.

□ **Compliance and Reporting:**

Ensure compliance with all regulatory requirements and regularly report key metrics and performance indicators to IMS's international teams. This will facilitate ongoing evaluation and drive continuous improvement. Establish a systematic process for tracking regulatory adherence and performance data, ensuring timely and accurate reporting. Use these insights to identify areas for enhancement and align with global standards for sustained operational excellence.

MARKETING & PROMOTION STRATEGY

The efficiency of the marketing and sales network is a critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. To retain our customers, our Promoters and senior management team, who have vast experience in this industry, regularly interact with them and focus on gaining an insight into the additional needs of such customers.

- ❖ **Exhibitions:** Participate in over 20 industry B2C exhibitions across India annually.
- ❖ **Workshops:** Conduct more than 30 in-person and online workshops yearly, led by professional mentors, reaching 50-150 professional photographers content creators per session.
- ❖ **In-Store Demos:** Organize hundreds of offline demos across India, attended by around 100 professional photographers per event.
- ❖ **In-Store Branding:** Invest in in-store branding and display stands to enhance product visibility.
- ❖ **Influencer Marketing:** Collaborate with numerous influencers to create and share content on social media, boosting brand presence.
- ❖ **Social Media Marketing:** Manage a robust social media presence with 1.7 million followers and a monthly reach of 15 million people.
- ❖ **SEO:** Implement SEO strategies for the e-commerce website, generating approximately Rs. 70.00 lakhs in monthly sales.
- ❖ **WhatsApp Marketing:** Utilize WhatsApp to engage over 200,000 customers, informing them of new products and driving sales.
- ❖ **E-Commerce Marketing:** Invest in marketing on platforms like Amazon and Flipkart to maintain industry leadership and increase brand recognition.
- ❖ **Celebrity Endorsement:** Engage Bollywood celebrities Janhvi Kapoor and Rohit Saraf for a year endorsement starting August 2024 to boost brand recognition.
- ❖ **TVC and OTT Advertising:** Produce and air TV commercials featuring celebrities on TV channels and OTT platforms starting August 2024.
- ❖ **Outdoor Hoardings:** Launch hoardings in major cities following the celebrity TVC shoot.
- ❖ **Event Sponsorship:** Sponsor various events, including influencer awards, college events, and sports events.
- ❖ **PR Campaign:** Roll out PR marketing through prominent media channels such as newspapers and magazines to enhance brand visibility.

GLIMPSE OF OUR EXHIBITIONS



MAGAZINES

www.digitek.net.in

DigiTek

Ultimate Sound Mobility

Boost your audio performance with the DigiTek (DWM-105) 2-in-1 Wireless Microphone System featuring both Type C and Lightning interfaces.

- Transmission coverage 30-50 meters
- Built-in DSP chip
- Plug & play
- Sensitivity 38+ dB
- Charging time - 1.5hrs
- Working time - 6hrs
- Battery capacity 100mAh
- Frequency range 50Hz-20KHz

For Android / iOS / Windows / Mac OS / PS4 / PS5 / Xbox / Nintendo Switch / Fire TV / Roku / Amazon Fire TV / Apple TV / Chromecast / Google Home / Alexa / Siri / Cortana / Bixby / Hey Google / Hey Siri / Hey Cortana / Hey Bixby / Hey Google / Hey Siri / Hey Cortana / Hey Bixby

IMS Mercantiles Pvt. Ltd. Corporate Office: 7th, Ring Road, 1st, Sector, Gurgaon, Haryana, India. Phone: +91-11-42324444 | www.digitek.net.in

Available on Amazon.in, Flipkart, Clix, JioMart, AKAH, and other retailers.

www.digitek.net.in

DigiTek

DOMINATING WITH SOUND

Enhance your gaming communication to a professional level with DigiTek USB Professional Gaming RGB Microphone DM-301.

- Real-Time Monitoring
- Blowout Prevention Net
- Type-C USB Interface
- One-Touch Mute Sensor
- Cardioid Polar Pattern
- Colorful RGB glare

USEFUL FOR: Live Streaming, Gaming, Vocal Performance, Studio Recording, And Professional Webcasts.

IMS Mercantiles Pvt. Ltd. Corporate Office: 7th, Ring Road, 1st, Sector, Gurgaon, Haryana, India. Phone: +91-11-42324444 | www.digitek.net.in

Available on Amazon.in, Flipkart, Clix, JioMart, AKAH, and other retailers.

www.digitek.net.in

DigiTek

LISTEN TO WHAT YOU SAY

with DigiTek DWM-106 2-in-1 Wireless Microphone System Consisting of Real-time Monitoring.

- 50 Meters Wireless Transmission
- Run Time of 6 hrs
- 2.4 GHz Frequency Range
- Professional Noise Cancellation
- Type-C Charging Mode
- 350° Sound Capture
- 3.7V 1000 mAh Battery Capacity
- Compatible with Camcorder / DSLR / iOS / Android

IMS Mercantiles Pvt. Ltd. Corporate Office: 7th, Ring Road, 1st, Sector, Gurgaon, Haryana, India. Phone: +91-11-42324444 | www.digitek.net.in

Available on Amazon.in, Flipkart, Clix, JioMart, AKAH, and other retailers.

OUR BRAND AMBASSADOR

Our company has appointed renowned personalities Rohit Saraf and Jhanvi Kapoor as the company's brand ambassadors. With their strong presence and popularity, they were chosen to represent IMS Mercantiles Limited. Their involvement helped strengthen the brand's image and reach a broader audience. The collaboration was an important step for the company, and looked forward to the positive impact it would have on the brand and its customers.

#allyouneedisdigitek

DigiTek

100% CREATIVE FREEDOM

Become a Top Content Creator with DigiTek's All-in-One Starter Kit

- Ring Light Stand
- Small Ring Light, Bi-Color DRL 14C
- Mini Tripod DTR-200 MT
- Wireless Microphone - DWM 001

OFFER PRICE: ₹ 2,299/-
MMP ₹ 6,499/-

#allyouneedisdigitek

DigiTek

100% SMART




As you are, by DCL 150 WBC Continuous Cinema light & enjoy versatility & shine out.





- Infrared Remote
- 150 W Power Output
- Bi Color Continuous LED
- 13,500 LM Luminous Flux

OFFER PRICE: ₹ 5,599/-
MMP ₹ 17,095/-



OUR PRODUCT PORTFOLIO

Product Name	Product Image
<p>TRIPOD & Other related products</p> <ul style="list-style-type: none"> • Tripods Standard • Monopods Standard • Heads Standard • Tripods Platinum • Monopods Platinum • Heads Platinum 	
<p>MICROPHONE</p> <ul style="list-style-type: none"> • Gaming Microphone • Wireless Microphone • Condensor Microphone 	
<p>FILTERS</p> <ul style="list-style-type: none"> • UV Filters • MC UV Filters 	
<p>LED LIGHTS</p>	

<ul style="list-style-type: none"> • Ring Light • Video Light • Porta Light • Continuous Light • Stick Light 	
ENVIE BATTERIES & CHARGERS	
<ul style="list-style-type: none"> • Envie Batteries • Envie Chargers • Envie Combos 	
CAMERA BATTERIES	
<ul style="list-style-type: none"> • Platinum • For Sony • For Canon • For Nikon • For Panasonic • For Fuji • For DJI • For GOPRO 	
CHARGERS	
<ul style="list-style-type: none"> • Platinum Charger • Digitek Charger • COMBO 	

AFTER SALES SERVICES

Our commitment has always been to deliver top-quality products, which helps build strong trust with our customers. We view our consumers as crucial partners in the innovation process. By understanding their values, desires, and needs, we can provide them with superior products and services powered by the latest technology. To further enhance customer trust, IMS has arrangements of service centres across India, ensuring convenient access to after-sales support.

All IMS products come with a manufacturer warranty. If a product requires service within this period, the product will be repaired free of charge or it will be replaced, and the defective item will be returned to the manufacturer for replacement.

Additionally, we have formed various agreements with partners to ensure comprehensive after-sales service, including the sale and supply of spare parts and consumables for a range of household electronics and electrical goods we produce and market.

SWOT ANALYSIS

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • Product Range: Largest selection of photographic accessories and content creation products under one brand in India. 	<ul style="list-style-type: none"> • Market Trends: Surge in content creation demand due to digital expansion, including online buying, educational videos, and social media.

<ul style="list-style-type: none"> • Industry Relationships: Strong ties with suppliers, distributors, and over 40,000 dealers; supported by a 100-member team. • Offline Distribution: Efficient 3-tier network (super distributors, distributors, dealers) with logistics in Delhi, Mumbai, and Kolkata, and exclusive deals with international brands. • Online Presence: Listed on Amazon, Flipkart, and Jio; top brand in category for four years; Also Partnered with Quick Commerce on Blinkit & Zepto • Technical Expertise: Skilled workforce with extensive technical knowledge. • Brand Reputation: Strong market presence with high-quality products, robust after-sales service, and recent celebrity endorsements (Janhvi Kapoor and Rohit Saraf). • Brand Stores: Plans to invest in brand stores to enhance customer experience. • Financial Stability: Nearly 20 years of profitable operations and stable finances. 	<ul style="list-style-type: none"> • Growing Demand: Anticipated exceptional growth in content creation products over the next decade. • New Product Categories: Rise in live streaming and smartphone accessories opens new market segments. • Market Expansion: Targeting global distribution in Asia, the Middle East, Africa, and the USA. • Supply Chain Optimization: Leveraging quick commerce platforms to capture market share. • Competitors' Weaknesses: Advantage over unorganized grey market competitors. • Partnerships & Alliances: Opportunities for mergers, acquisitions in drones, and local manufacturing under the Make in India initiative. • Improved Customer Experience: Enhancing customer experience through new marketing channels and strategies.
WEAKNESSES	THREATS
<ul style="list-style-type: none"> • Supplier Dependence: Over 80% of products are manufactured in China, leading to high reliance on Chinese suppliers. • Competitive Disadvantage: High customs duties on imported products create a cost disadvantage compared to grey market competitors. • Inventory & Delivery Issues: Long lead times and shipping delays due to heavy reliance on imports affect inventory management and timely order fulfilment. 	<ul style="list-style-type: none"> • India-China Relations: Deterioration could impact business due to heavy reliance on Chinese sourcing. • Currency Fluctuations: Rupee depreciation affects import costs. • Trade Barriers: Increased duties and restrictions due to strained India-China relations could worsen. • Regulatory Environment: Additional regulatory restrictions could hinder growth. • Supply Chain Disruptions: Disruptions in Chinese shipping routes could impact business operations.

OUR COMPETITIVE STRENGTH

"There are specific factors that sustain our company and constitute our competitive strengths:"

Established Brand Name

IMS with its brands Digitek & Envie, is a renowned name in digital product trading, has built a solid reputation through its diverse range of products. Originating with a strong focus on consumer electronics, IMS has expanded its offerings to include a variety of digital goods such as Photography Accessories, Smartphone Accessories & Rechargeable Batteries & Chargers. This expansion has enabled IMS to establish a significant presence in Indian households. Our commitment to continuous product improvement, coupled with the quality and recognition of our brand, has fostered widespread consumer trust.

Wide Range of Products and Strong Market Presence

IMS generates revenue from a broad spectrum of digital products, catering to both household and institutional consumers. Our product lineup includes Cameras, Tripods, Mobile Accessories, LED Lights, and many more. This diverse portfolio minimizes our reliance on any single product category, providing us with a competitive advantage. Our strong brand, technological advancements, and robust sales network have established IMS as a well-known player in these categories. Our ability to adapt and deliver products that meet evolving customer needs has solidified our market position.

Large Established Channel Network

IMS boasts an extensive channel network across India, ensuring our products reach consumers efficiently, even in remote areas. Our network of distributors and dealers plays a crucial role in broadening our market reach and enhancing accessibility.

Strong After-Sales Service

Our dedicated after-sales service team in India is committed to addressing customer needs, including installation and complaint handling. With authorized service centres nationwide, we focus on providing exceptional support. We invest in ongoing skill development for our technicians to ensure prompt and effective resolution of customer issues. Additionally, our team efficiently manages and supplies spare parts, further enhancing our service quality.

Experienced Promoters

IMS is guided by experienced promoters, Mr. Amit Kumar Saraff and Mr. Deepak Saraf a, whose extensive industry knowledge has significantly contributed to our growth. Under their leadership, IMS has become a well-regarded name in digital product trading. Our management team’s deep understanding of the business and customer needs drives our strategic initiatives and ensures the continued success of our company.

QUALITY CONTROL

Our Company follows all the processes to ensure the quality of services delivered to clients at all stages before its functional stage with the Customer.

List of Registrations Obtained from the Bureau of Indian Standards (BIS), Ministry of Consumer Affairs, Food and Public Distribution, Government of India, for Our Various Products.

Details of all the certifications for quality control please refer **“Government And Other Approval”** beginning on page **180** of this Draft Red Herring Prospectus.

CAPACITY AND CAPACITY UTILIZATION

Capacity Utilization is not applicable to our company since we are not involved in manufacturing industry.

MATERIAL CONTRACTS

As on date of filing of Draft Red Herring Prospectus except as stated below there are no material agreements entered by our company.

Sr. No.	Name of Parties	Terms of the Agreement	Date of execution	Validity
1.	First Party* and IMS Mercantiles Private Limited	Company has exclusive supply of VILTROX Camera Accessories for India.	April 01, 2024	April 01, 2024 to March 31, 2025
2.	IMS Mercantiles Private Limited and Ms. Janhvi Kapoor and Dharma Cornerstone Agency LLP and Chariot Productions Media Pvt. Ltd.	Endorsement Agreement	July 25, 2024	One Year commencing from August 01, 2024
3.	Mr. Rohit Saraf and Collective Artists Network India Pvt Ltd. and IMS Mercantiles Private Limited	Endorsement Agreement	July 26, 2024	One year commencing from August 01, 2024.

*The issuer has chosen to maintain confidentiality regarding its identity in the DRHP.

COMPETITION

Competition is a significant factor that can impact our business as an Electronics company. The big companies have a considerable presence in the market and offer a broad range of products across the world. They have a well-established brand image, large teams, and extensive resources, which enable them to offer products at competitive rates. Apart from these big players, the market also has several other small and mid-sized product providers. While they may not pose significant competition to us, they are still a threat as they offer competitive pricing and can cater to niche requirements that we may not be able to fulfil. Additionally, new startups are emerging in the market, which are agile, innovative, and are rapidly growing. They are leveraging the latest technologies and are adopting unconventional business models, which can pose a threat to us in the long run.

COLLABORATIONS

We have not entered into any technical or other collaboration.

IMPORT & EXPORT OBLIGATIONS

Our company does not have any import & export and export obligation as on the date of Draft Red Herring Prospectus.

INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER.

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

Power: Our Company requires power for the normal requirement of the Office for lighting, systems etc. Adequate power is available which is met through the Surya Maintenance Agency Pvt Ltd.

Water: Water is required for human consumption at office and adequate water sources are available from Surya Maintenance Agency Pvt Ltd. water supplier. The requirements are fully met at the existing premises.

CORPORATE SOCIAL RESPONSIBILITIES

While we are focused on sustained financial performance, our Company has taken up corporate social responsibility ("CSR") activities and has adopted a CSR policy in compliance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government.

CSR is applicable to the company since FY 2021-22. In terms of our CSR policy our CSR expenditure may be towards, amongst others, promoting health care, promoting education, promoting social welfare.

INTELLECTUAL PROPERTIES

Our Company has a registered Trademark:

Details of all the trade mark certifications please refer "**Government And Other Approval**" beginning on page **180** of this Draft Red Herring Prospectus.

Our Company has a registered Domain name:

SN.	Domain name	Domain ID	Registrant Name and Address	Creation date	Expiry Date
1.	www.digitek.net.in	D41440000005745865-IN	GoDaddy.com GoDaddy.com, LLC 2155 E GoDaddy Way, Tempe, Arizona 85284, United States	November 07, 2022	September 09, 2026

OUR PROPERTIES

The details of the Immovable properties owned by the company are given below:

SN	Type	Address
1	Registered Office	704, 7th Floor, Ring Road Mall, Sector - 3, Rohini, Delhi - 110085
2	Office	705, 7th Floor, Ring Road Mall, Sector - 3, Rohini, Delhi - 110085
3	Staff Accommodation	F1, 1201, Kingsbury, TDI City, Sector - 61, Kundli, Sonipat, Haryana - 131028
4	Plot for Warehouse	BG 113, Sanjay Gandhi Transport Nagar, Delhi - 110042

The details of the Immovable properties leased and rented by the company are given below:

Sr. No	Branch /Head office/ Marketing Office/warehouse	Address	Name of Lessor	Type of Document and Date	Period of Agreement
1	Office and Warehouse	Godown No-23 (Uf), 1/F, Khagendra Chatterjee Road, Cossipore, Kolkata - 700002	Smt. Mina Devi Bengani Memorial Trust	September 01, 2014	Valid until cancelled
2	Office and Warehouse	Moti Ram Patil Compond, House No.654/9, Ground Floor, Blg C, Nr. Saidham Complex, Purna, Bhiwandi Distt. Thane-421302	Mrs. Rajvee Anup Banerjee	July 31, 2023 Leave and License Agreement	36 Months
3	Warehouse	Basement: Bg-106, Sanjay Gandhi Transport Nagar, Delhi - 110042	Mr. Satya Narayan Agarwal	June 12, 2024 Rent Agreement	11 Months
4	Warehouse	First Floor: Bg-106, Sanjay Gandhi Transport Nagar, Delhi - 110042	Mr. Raj Agarwal	June 12, 2024 Rent Agreement	11 Months
		Ground Floor: 40, Gali No. 4, Badli, Near Ndpl Mcd Health Centre, Delhi - 110042	Smt. Kailash Wati	June 11, 2024 Rent Agreement	11 Months
5	Warehouse	First Floor: 40, Gali No. 4, Badli, Near Ndpl Mcd Health Centre, Delhi - 110042	Mr. Rupesh Sharma	June 11, 2024 Rent Agreement	11 Months
		Basement Floor: BG - 118, Sanjay Gandhi Transport Nagar, Delhi - 110042	Mr. Manoj Kumar Gupta	November 23, 2023	22 Months
6	Warehouse	Ground Floor: BG - 118, Sanjay Gandhi Transport Nagar, Delhi - 110042	Mr. Manoj Kumar Gupta	November 22, 2023	22 Months
		Ground Floor, Plot No 35 Kh.No 18/21, Extended Lal Dora Block-A, Badli Village, Delhi - 110042	Ms. Neha Yadav	June 11, 2024 Rent Agreement	11 Months
7	Warehouse	House No 16, Near Railway Crossing No-8, Badli Village, Delhi - 110042	Smt. Ram Wati	June 11, 2024 Rent Agreement	11 Months
8	Warehouse	1st Floor, Plot No. WA-14, Block WA Sanjay Gandhi Transport Nagar, Shree Balaji Cloth House, Delhi - 110042	Mr. Harvinder Singh	November 21,2022 Lease Agreement	36 Months
9	Warehouse	Basement, Ag-61, Block-Ag, Sanjay Gandhi Transport Nagar, Delhi - 110042	Mr. Maninderpal Signh	December 15, 2023 Rent Agreement	11 Months
10	Warehouse	Basement, Bg-119, Block-Bg, Sanjay Gandhi Transport Nagar, Delhi - 110042	M/s globe Transport Corporation	November 24, 2023 Rent Agreement	2 Years

The details of the Immovable properties used by the company is given below:

Sr. No	Address	Description
1	A-29, Mohan Co-operative Industrial Estate, Mathura Road, Badarpur, Delhi - 110044 in the state of New Delhi.	Amazon Seller Services Private Limited and IMS Mercantiles Limited have entered in to an agreement to utilise the services of “fulfilment centre”.

HUMAN RESOURCES

Our employees are integral to the success of our business. As of October 20, 2024, we have a total workforce of 138 individuals spread across various departments, each playing a crucial role in our operations and achievements.

Department	No of Employees
Finance Department	9
Compliance	1
Sales & Marketing Department	41
Administration	7
Operation	19
Store	54
IT	1
Peon/Driver	3
Designer	3
Total	138

INSURANCE

Our company prioritizes risk management with robust insurance coverage that meets industry standards. We are confident that our existing insurance policies adequately cover the typical risks associated with our operations, vehicles and manpower. However, we recognize that uncertainties in the claims process could affect the timeliness and completeness of claim settlements.

S.N	Type of Policy	Insurer	Policy No.	Period of Insurance	Insured Amount	Status
1	Vehicle Insurance	ICICI Lombard General Insurance Company Limited	3005/234898230/02/000	December 21, 2023 to December 20, 2024	25,000	Active
2	Medicclaim Policy	Niva Bupa Health Insurance Company Limited	351120913	July 04, 2024 to July 03, 2025	3,55,00,000	Active
3	Stock Insurance	Tata AIG General Insurance Company Ltd	5180105027	December 06, 2023 to December 05, 2024	250,000,000 250,000,000	Active
4	Vehicle Insurance	Bajaj Allianz General Insurance Company Ltd	OG-23-9906-1802-00232197	August 31, 2024 to August 30, 2025	26,050.00	Active
5	Vehicle Insurance Baleno	ICICI Lombard General Insurance Company Limited	3001/328094183/00/000	Feb 15, 2024 to Feb 14, 2025	4,26,465	Active
6	Vehicle Insurance Benz	ICICI Lombard General Insurance Company Limited	3001/MB-155753/00/000	March 09, 2024 to March 08, 2025	19,08,522	Active
7	Vehicle Insurance BMW	Tata AIG General Insurance Company Limited	62019633 670100	Sept 25, 2024 to Sept 24, 2025	16,22,205	Active
8	Vehicle Insurance - Creta	ICICI Lombard General Insurance Company Limited	3001/328094088/00/000.	Feb 09, 2024 to Feb 08, 2025	6,67,000	Active

9	Grand Vitara	ICICI Lombard General Insurance Company Limited	3001/MI-13862048/00/000	Feb 23, 2024 to Feb 22, 2025	14,63,950	Active
10	I20	Tata AIG General Insurance Company Limited	6201276538 01 00	Mar 26, 2024 to Mar 25, 2025	3,00,117	Active

A key component of our risk management strategy is safeguarding the safety and well-being of employees working at client locations. To address this, we have implemented specialized insurance policies designed to protect our workforce in various challenging environments. These policies are carefully crafted to ensure compliance with the highest safety standards and regulatory requirements.

INFORMATION TECHNOLOGY

In a trading company, technology is vital for enhancing daily operations and efficiency. Key tools include ERP systems for integrating functions like inventory and financial management, CRM software for improving customer interactions, and trade management software for smooth transactions and compliance. Online marketplaces and e-commerce platforms expand market reach, while inventory management systems optimize stock levels. Data analytics provide insights into market trends, and communication tools facilitate team collaboration. Payment processing solutions streamline transactions, and mobile apps enable access to information on the go. Robust cybersecurity ensures data protection and compliance. By leveraging these technologies, trading companies can boost efficiency, improve customer satisfaction, and stay competitive.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

We have also adopted best practices, including deployment of advanced technology at our office, and regularly undertaking mock drills and other safety orientation programmes to promote a safe working environment. Our operations are subject to governmental, state and municipal laws and regulations relating to the protection of the environment. However, typically in contracts entered by us all the necessary approvals and environmental clearances for the project are to be procured by our clients.

FINANCIAL INDEBTEDNESS OF THE COMPANY

As of the date of this Draft Red Herring Prospectus, our Company has availed itself of secured and unsecured loans. For further details, please refer to the section *“Statement of Financial Indebtedness”* beginning on page 171 of this Draft Red Herring Prospectus.

This space is intentionally left blank

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following is an indicative summary of certain relevant industry specific laws, regulations and policies which are applicable to our business and operations in India. The information available in this section has been obtained from publications available in the public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, which are subject to amendments or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

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

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

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

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

National Policy on Electronics, 2019 (“NPE, 2019”)

The NPE, 2019 envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. The NPE 2019 replaces the National Policy of Electronics, 2012. The NPE 2019 when implemented will lead to the formulation of several schemes, initiatives, projects, etc., in consultation with the concerned Ministries/Departments, for the development of the ESDM sector in the country. It will enable the flow of investment and technology, leading to higher value addition in the domestically manufactured electronic products, and increased electronics hardware manufacturing in the country and their export while generating substantial employment opportunities.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 (“Safety and Electric Supply Regulations”)

The Safety and Electric Supply Regulations lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include all electric supply lines and accessories to a) have adequate power ratings and proper insulation; b) be of adequate mechanical strength for the duty cycle; c) have a switchgear installation in each conductor of every service line within a consumer’s premises; and d) be encased in a fireproof receptacle. The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (“Hazardous Chemical Rules”)

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further, a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

The Plastic Waste Management Rules 2016 and Amendments Thereto

The guidelines seek to promote development of new alternatives to plastics and provide a roadmap for businesses to move towards sustainable plastic packaging. The guidelines provide a framework to strengthen the circular economy of plastic packaging waste. A circular economy depends on reuse, sharing, repair, refurbishment, re-manufacturing, and recycling of resources to create a closed-loop system, minimising the use of resources, generation of waste, pollution and carbon emissions. It mandates the generators of plastic waste to take steps to minimize generation of plastic waste, prevent littering of plastic waste, and ensure segregated storage of waste at source among other measures. The rules also mandate the responsibilities of local bodies, gram panchayats, waste generators, retailers and street vendors to manage plastic waste. Extended Producers Responsibility (EPR) regime is implemented in Plastic Waste Management Rules, 2016, according to which it is the responsibility of Producers, Importers and Brand-owners to ensure processing of their plastic packaging waste through recycling, re-use or end of life disposal (such as coprocessing/Waste-to-energy/Plastic-to-oil/roadmaking/industrial-composting).

The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate the electronic filing of documents and create a mechanism for the authentication of electronic records through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. It provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access to any information generated, transmitted, received, stored, or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing. Under the Information Technology Act, 2000, we are subject to civil liability to compensate for causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by us due to negligence in implementing and/or maintaining reasonable security practices and procedures. The IT Act and the Information Technology (Amendment) Act, 2008, which amended the IT Act, facilitate electronic commerce by recognizing contracts concluded through electronic means, protecting intermediaries in respect of third-party information liability under specified circumstances, and creating liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer-related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto. In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), in the exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“SPDI Rules”) in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include personal information relating to passwords, financial information such as bank account or credit card or debit card or other payment instrument details, physical, physiological, and mental health condition, sexual orientation, medical records, biometric information and so on. The SPDI Rules require every such body corporate, or person acting on behalf of a body corporate, to provide a privacy policy for collecting, receiving, possessing, storing, handling, and dealing with personal information, including sensitive personal data, ensuring the security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or third-party disclosure of such data is made with the prior consent of the information provider unless contractually agreed upon between them or where such disclosure is mandated by law.

Consumer Protection Act, 2019 (the “Consumer Protection Act”) and rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was enacted for better protection of the interests of consumers and to establish authorities for timely and effective administration and settlement of consumer disputes. It seeks, inter alia, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practised by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It further enumerates the situations where a claim for compensation would be available for harm including, (i) damage to any property other than the product itself; (ii) personal injury, illness or death; (iii) mental agony or emotional distress, etc. caused by a defective product manufactured by a product manufacturer or serviced by a product service provider or sold by a product seller. It provides for the establishment of consumer dispute redressal commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or

passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of deficiency of services, are empowered to impose imprisonment for a term which may extend to two years and a fine which may extend to ten lakh rupees.

The Trade Marks Act, 1999

The Trade Marks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as 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 lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits the registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

The Designs Act, 2000 (the “Designs Act”)

The Designs Act prescribes for the registration of designs. The Designs Act specifically lays down the essentials of a design to be registered and inter alia, provides for application for registration of designs, copyright in registered designs, etc. A ‘Design’ means only the features of shape, configuration, pattern, ornament or composition of lines or s or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

Labour law legislations

- Factories Act, 1948
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Employees State Insurance Act, 1948
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- The Equal Remuneration Act, 1976
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Employee’s Compensation Act, 1923
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Maternity Benefit Act, 1961
- The Industrial Disputes Act, 1947
- The Trade Unions Act, 1926
- Industrial Employment (Standing Orders) Act, 1946
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalise and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies)

Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Environment protection laws

The Environment Protection Act, 1986 ("EPA") is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of the environment, standards for emission of discharge of environmental pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, an inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years or both. The imprisonment can extend up to seven years if the violation of the EPA continues beyond a period of one year after the date of conviction. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, the establishment of environmental laboratories and appointment of government analysts. The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") was enacted to control and prevent pollution and for maintaining or restoring of the purity of water in the country. The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") was enacted to provide for the prevention, control, and abatement of air pollution in India. In order to achieve these objectives, Pollution Control Boards (PCBs) at Central and State levels were set up to establish and enforce standards for factories discharging and emitting pollutants in water bodies and air respectively. Under the Water Act, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent from the relevant state pollution control board. Similarly, under the Air Act, no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

E-Waste Management Rules, 2022 and Amendments thereto (the "E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler, and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorization from the state pollution control board and also submit annual returns to the same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Fire safety legislations

Fire safety legislations enacted by several states in India provide for, amongst other things, the establishment of state fire services departments in respective States. Under these laws, owners of certain premises or certain classes of premises, which are used for purposes which may cause a risk of fire, are required to obtain approval from the relevant authority of such fire services department. Owners are further required to implement adequate fire prevention and safety measures and appoint a fire safety officer for inspection of premises from time to time, as may be prescribed under applicable law. Further, restrictions have been imposed on the working of high-risk premises in case these approvals are not acquired or for other violations of the provisions of the fire safety laws.

Legal Metrology Act, 2009 ("Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011

The Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, and regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules issued by each state. The Legal Metrology (Packaged Commodities) Rules, 2011, framed under the Metrology Act lays down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provides for

registration of manufacturers and packers. The said rule also lays down specific provisions for e-commerce transactions and the online sale of packaged commodities.

Other applicable law

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Competition Act, 2002 and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Tax laws

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) of the Income Tax Act, 1961, every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

Goods and Service Tax (“GST”)

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is levied as Dual GST separately but concurrently by the Union (central tax CGST) and the States (including Union Territories with legislatures) (State tax-SGST) / Union territories without legislatures (Union territory tax-UTGST). The Parliament has exclusive power to levy GST (integrated tax-IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017, following the passage of the Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India.

Central Goods and Services Tax Act, 2017 (“CGST Act”)

CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of the application by the registered person or his legal heirs.

The Customs Act, 1962

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The provisions relating to the appointment of customs ports, airports, and warehousing stations are laid down under the Act. There shall be an absolute or partial prohibition on the import or export of goods by the Central Government for the maintenance of security in India. The interest on levy of or exemption of customs duty is laid down under Chapter V of the Act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

The Micro, Small and Medium Enterprises Development Act, 2006

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, (ii) a small enterprise, or (iii) a medium enterprise, as per criteria mentioned in the said Act. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

Shops & Establishment

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments

including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our offices are required to be registered under the shops and establishments legislations of the states where they are located.

The Personal Data Protection Bill, 2019 (the “Bill”)

The Bill, which proposes to supersede the Information Technology Act deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorises two kinds of data, (a) “Personal Data” data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) “Sensitive Personal Data” includes such personal data, which may, reveal, be related to, or constitute: (i) financial data;(ii) health data;(iii) official identifier;(iv) sex life;(v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, acts done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and acts done for preventing incitement to commission of any cognisable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021 (the “EITG Order”)

The EITG Order provides for the registration of certain scheduled electronic goods under relevant Indian Standards (“IS”) as prescribed by the BIS. As per the EITG Order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the IS specified in the EITG Order. Further, manufacturers of these products are required to apply for registration from the BIS after getting their product tested from BIS recognized labs and requires manufacturers to mandatorily display the relevant IS mark as notified by the BIS on their products. Further, the BIS may notify additional categories of electronic goods requiring registration from time to time. The EITG Order also provides the BIS powers to inspect the premises of the manufacturer to ensure conformity of the products and issue directions in this regard.

The Sale of Goods Act, 1930 (the “Sale of Goods Act”)

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

GENERAL CORPORATE LAWS AND COMMERCIAL LAWS

1. Companies Act, 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.

2. Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

3. Negotiable Instruments Act, 1881

In India, any negotiable instruments such as cheques are governed by this Act. Section 138 of the Act, makes dishonour of cheques a criminal offence if the cheque is dishonoured on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

4. The Registration Act, 1908

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.

5. Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

6. The Arbitration and Conciliation Act, 1996

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

7. The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities. The Code proposes for a fast-track insolvency resolution process for companies with smaller operations. The process will have to be completed within 90 days, which may be extended upto 45 more days if 75% of the financial creditors agree. Extension shall not be given more than once.

This space is intentionally left blank

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

HISTORY OF OUR COMPANY

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation offered by the Registrar of Companies, N.C.T. of Delhi and Haryana dated August 26, 2003, with the name 'IMS Mercantiles Private Limited' bearing Corporate Identification Number U51395DL2003PTC121932. Subsequently our Company was converted into a limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 31, 2024 and the name of our Company was changed from "IMS Mercantiles Private Limited" to "IMS Mercantiles Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated August 05, 2024 bearing Corporate Identification Number U51395DL2003PLC121932 by the Registrar of Companies, Central Processing Centre. At present, the registered office of the company is situated at 704, 7th Floor, Ring Road Mall Sector-3, Rohini, Delhi 110085, India.

CHANGES IN OUR REGISTERED OFFICE

The Registered Office of the Company is presently situated at 704, 7th Floor, Ring Road Mall Sector-3, Rohini, Delhi 110085, India.

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

Date of Change	From	To	Reason for Change
November 01, 2005	308, GD -ITL Tower, B -08 Netaji Subhash Palace, Pitampura, Delhi-110034, India.	A-16, IInd Floor, Saraswati Vihar, Outer Ring Road, Pitampura, Delhi 110034 India.	Administrative purposes
May 01, 2010	A-16, IInd Floor, Saraswati Vihar, Outer Ring Road, Pitampura, Delhi 110034 India.	704, 7th Floor, Ring Road Mall Sector-3, Rohini, Delhi 110085, India.	Administrative purposes

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

"To carry on all or any of the business as buyers, sellers, importers, exporters, holders, distributors, agents, brokers, collaborators, consignors, C & F agents, indenting agents, concessionaires, factors, stockists, commission agents, multilevel marketing, suppliers, providers or otherwise to deal in all types and kinds of Photographic Accessories, Smartphone Accessories, Rechargeable Batteries, Chargers, telecommunication equipments, cellular phones, computers & its accessories, dry cells, batteries, photo films, photo setters, electrical/electronic goods & equipments, video games, cameras, toys and other related mercantile and goods and components thereof."

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company since incorporation:

Date of Shareholders' Approval	Particulars of Amendment
October 01, 2007	Alteration in Capital Clause: Increased in Authorized Share Capital. The authorized share capital of our Company has been increased from ₹ 50,00,000.00 (Rupees Fifty Lakhs only) divided into 5,00,000 (Five Lakh) equity shares of ₹ 10.00 each to ₹ 1,00,00,000.00 (Rupees One Crore only) divided into 10,00,000 Equity Shares of ₹ 10.00 each.

February 23, 2009	Alteration in Capital Clause: Increased in Authorized Share Capital. The authorized share capital of our Company has been increased from ₹ 1,00,00,000.00 (Rupees One Crore only) divided into 10,00,000 Equity Shares of ₹ 10.00 each to ₹ 1,50,00,000.00 (Rupees One Crore Fifty Lakhs only) divided into 15,00,000 Equity Shares of ₹ 10.00 each.
February 13, 2012	Alteration in Capital Clause: Increased in Authorized Share Capital. The authorized share capital of our Company has been increased from ₹ 1,50,00,000.00 (Rupees One Crore Fifty Lakhs only) divided into 15,00,000 Equity Shares of ₹ 10.00 each to ₹ 2,50,00,000.00 (Rupees Two Crore Fifty Lakhs only) divided into 25,00,000 Equity Shares of ₹ 10.00 each.
May 31, 2024	Alteration in Capital Clause: Increased in Authorized Share Capital. The authorized share capital of our Company has been increased from ₹ 2,50,00,000.00 (Rupees Two Crore Fifty Lakhs only) divided into 25,00,000 Equity Shares of ₹ 10.00 each to ₹ 16,00,00,000.00 (Rupees Sixteen Crore only) divided into 1,60,00,000 Equity Shares of ₹ 10.00 each.
June 26, 2024	Alteration in Capital Clause: Increased in Authorized Share Capital. The authorized share capital of our Company has been increased from ₹ 16,00,00,000.00 (Rupees Sixteen Crore only) divided into 1,60,00,000 Equity Shares of ₹ 10.00 each to ₹ 22,50,00,000.00 (Rupees Twenty-Two Crore Fifty Lakhs only) divided into 2,25,00,000 Equity Shares of ₹ 10.00 each.
May 31, 2024	Alteration in Name Clause: Consequent to conversion of the Company from private Company to Public Company, the existing Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause: 1. The name of the Company is IMS MERCANTILES LIMITED

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company, in the Extra Ordinary General Meeting of the Company dated May 31, 2024.

KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Event
2003	Started as a distributor for SAMSUNG Batteries and Color Photo Films.
2005	Became the official distributor for Uniross, handling Rechargeable Batteries & Chargers nationwide.
2007	Launched the proprietary label "Digitek."
2009	Introduced the in-house brand "Envie."
2012	Envie won the Best AAA Rechargeable Battery Brand award at the Asian Photography Awards.
2013-2015	Envie was awarded Best AA Rechargeable Battery Brand for three consecutive years at the Asian Photography Awards. Recognized for Fulfilling Wishes with Flipkart - IMS
2017	Awarded Most Illustrious Brand by Mail Today (India Today Group)
2018	Received the Extra Mile Award for Outstanding Performance from Amazon.
2019	Digitek named Peripheral Manufacturer of the Year by T3. Digitek awarded Best Photography & Smartphone Accessories Brand by Mobility.
2020	Digitek won Smartphone Gimbal of the Year by Smart Photography.
2023	Digitek named Accessories Manufacturer of the Year by T3. Received Certificate of Achievement - Gold Seller from Flipkart
2024	Digitek named Imaging Accessories Manufacturer of the Year by T3.

Year	Event
	Digitek GoCam named Action Camera of the Year by Exhibit. Earned Certificate of Achievement - Gold Seller from Flipkart. Featured in the Forbes India magazine- October 2024

DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "*Our Business*", "*Management Discussion and Analysis of Financial Conditions*" and "*Basis for Offer Price*" on page 106, 163 and 85 respectively.

HOLDING COMPANY OF OUR COMPANY

Our Company does not have any Holding Company as on the date of filing of this Draft Red Herring Prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

Our Company does not have any Subsidiary Company as on the date of filing of this Draft Red Herring Prospectus.

OTHER DECLARATIONS AND DISCLOSURES

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

FUND RAISING THROUGH EQUITY OR DEBT

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled '*Capital Structure*' and '*Financial Statements as Restated*' of the Company beginning on page number 57 and 161 respectively, of this Draft Red Herring Prospectus.

REVALUATION OF ASSETS

Our Company has not re-valued its assets since its incorporation.

CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT

Other than as stated in this Draft Red Herring Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Red Herring Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunction or restraining order.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

STRIKES AND LOCK-OUTS

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

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

SHAREHOLDERS' AGREEMENT

As on the date of this Draft Red Herring Prospectus, there are no Shareholders' Agreements.

OTHER AGREEMENTS

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there is no material agreements entered into more than two years before the date of this Draft Red Herring Prospectus.

MATERIAL AGREEMENTS

Any agreement entered into by a key managerial personnel or senior management or director or promoter or any other employee of the issuer:

- Our Managing Director, Mr. Amit Kumar Saraff has entered into a service agreement with our company for a tenure of 5 years w.e.f. August 16, 2024.
- Our Whole time Director Mr. Deepak Saraf has entered into a service agreement with our company for a tenure of 5 years w.e.f. August 16, 2024.

For other material agreements see chapter titled, "***Our Business***" on page 106 of this Draft Red Herring Prospectus.

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

CAPACITY/FACILITY CREATION, LOCATION OF PLANTS

For information on our Company's business profile, Capacity and location of Plant, see chapter titled, "***Our Business***" on page 106 of this Draft Red Herring Prospectus.

FINANCIAL PARTNERS

As on the date of this Draft Red Herring Prospectus, our Company does not have any financial partners.

ACQUISITION OF BUSINESSES/ UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last five years except as mentioned under the Major Events table forming part of this chapter.

DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS

There has been no divestment by the Company of any business or undertaking since inception.

NUMBER OF SHAREHOLDER OF OUR COMPANY

Our Company has 19 (Nineteen) shareholders as on date of the Draft Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled "***Capital Structure***" beginning on page 57 of this Draft Red Herring Prospectus.

DETAILS OF PAST PERFORMANCE

For details of Change of management, please see chapter titled "***Our Business***" and "***Our History and certain corporate matters***" on page 106 and 130 respectively of this Draft Red Herring Prospectus.

DETAILS OF FINANCIAL PERFORMANCE

For details in relation to our financial performance in the previous three financial years, including details of non-recurring items of income, refer to section titled “*Financial Statements as Restated*” beginning on page 161 of this Draft Red Herring Prospectus.

COLLABORATION AGREEMENT

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “*Our Business*” beginning on page 106, Our Company has no collaboration agreement.

This space has been intentionally left blank

OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consist of 6 (Six) Directors. Mr. Amit Kumar Saraff is the Chairman and Managing Director, Mr. Deepak Saraf is the Whole time Director of Our Company. The Board consists of 1(One) Managing Director, 1(One) Whole time Director, 1 (One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The Company has 1 (One) Woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

Sr. No.	Name of Directors	Designation
1.	Mr. Amit Kumar Saraff	Managing Director
2.	Mr. Deepak Saraf	Whole-time Director
3.	Mr. Ankit Saraf	Non-Executive Director
4.	Ms. Shalu Saraf	Executive Director
5.	Mr. Ankit Chamoli	Independent Director
6.	Mr. Ankush Kumar Chokhani	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

S.N.	Particulars	Details
1	Name	Mr. Amit Kumar Saraff
	Father's Name	Late Shri Vijay Saraf
	Address	D-157, Antriksh Apartment, 7 th Floor, Sector-14, Rohini, Delhi-110085
	Date of Birth	September 03, 1979
	Age	45 Years
	Designation	Chairman and Managing Director
	Status	Executive
	DIN	00450475
	Occupation	Business
	Nationality	Indian
	Qualification	2 nd year Bachelor of Commerce
	No. of Years of Experience	21 Years
	Date of Appointment (DOA) & Term	DOA: August 26, 2003 DOA at current designation: August 16, 2024. Term: 5 years w.e.f. August 16, 2024 to August 15, 2029.
	Directorship in other Companies	<ul style="list-style-type: none"> Ambey Plywood Private Limited Kyros Innovations LLP Saraff Tenets LLP
2	Name	Mr. Deepak Saraf
	Father's Name	Late Shri Vijay Saraf
	Address	D-145, Antriksh Apartment, Sector-14, Rohini, Delhi-110085
	Date of Birth	March 16, 1983
	Age	41 years
	Designation	Whole-time Director
	Status	Executive
	DIN	01055425
	Occupation	Business
	Nationality	Indian
	Qualification	2 nd year Bachelor of Commerce
	No. of Years of Experience	18 Years
	Date of Appointment (DOA) & Term	DOA: June 26, 2006 DOA at current designation: August 16, 2024 Term: 5 years w.e.f. August 16, 2024 to August 15, 2029

	Directorship in other Companies	<ul style="list-style-type: none"> Saraff Tenets LLP
3	Name	Mr. Ankit Saraf
	Father's Name	Late Shri Suresh Saraf
	Address	C-109, Antriksh Apartment, Sector-14, Rohini, Delhi -110085
	Date of Birth	September 01, 1991
	Age	33 Years
	Designation	Non-Executive Director
	Status	Non-Executive
	DIN	06562193
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Commerce
	No. of Years of Experience	11 years
	Date of Appointment (DOA) & Term	DOA: June 12, 2013
		DOA at current designation: August 16, 2024 Liable to retire by rotation.
Directorship in other Companies	<ul style="list-style-type: none"> Saraff Tenets LLP 	
4	Name	Ms. Shalu Saraf
	Father's Name	Late Shri Suresh Saraf
	Address	C-109, Antriksh Apartment, Sector-14, Rohini, Delhi-110085
	Date of Birth	July 05, 1988
	Age	36 years
	Designation	Executive Director
	Status	Executive
	DIN	10002853
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Commerce
	No. of Years of Experience	17 years
	Date of Appointment (DOA) & Term	DOA: July 20, 2024
	Directorship in other Companies	<ul style="list-style-type: none"> Saraff Tenets LLP
5	Name	Mr. Ankit Chamoli
	Father's Name	Mr. Vinod Kumar Chamoli
	Address	A-101, Hill Apartment, Sector-13, Rohini, Delhi-110085
	Date of Birth	July 01, 1989
	Age	35 years
	Designation	Independent Director
	Status	Non- Executive
	DIN	06795523
	Occupation	Professional
	Nationality	Indian
	Qualification	Chartered Accountant
	No. of Years of Experience	13 years
	Date of Appointment (DOA) & Term	DOA: July 22, 2024
		DOA at current designation: August 16, 2024
Term: 5 years w.e.f August 16, 2024 to August 15, 2029		
Directorship in other Companies	<ul style="list-style-type: none"> R S A C & CO LLP 	
6	Name	Mr. Ankush Kumar Chokhani
	Father's Name	Alok Kumar Chokhani
	Address	B-362, 1st Floor, Gali No. 04, Majilis Park, Adarsh Nagar, Delhi-110033
	Date of Birth	July 07, 1990
	Age	34 years
	Designation	Independent Director
	Status	Non- Executive
	DIN	10382644

Occupation	Business
Nationality	Indian
Qualification	Chartered Accountant and Company Secretary
No. of Years of Experience	05 Years
Date of Appointment (DOA) & Term	DOA: July 22, 2024 DOA at current designation: August 16, 2024 Term: 5 years w.e.f. August 16, 2024 to August 15, 2029
Directorship in other Companies	<ul style="list-style-type: none"> Dorato Portfolio Private Limited

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

1. Mr. Amit Kumar Saraff

Mr. Amit Kumar Saraff, aged 45 years, is the Chairman, Managing Director and Promoter of our company. He is a founding member of the Company and was appointed as First Director of the Company. Subsequently he was appointed as Chairman and Managing Director of the company with effect from August 16, 2024. He has completed 2nd year Bachelor of Commerce from Symbiosis College of Arts and Commerce, Pune University in the year 1999. He has more than 2 decades of experience in the field of import, marketing, and distribution. He plays a vital role in formulating business strategies and effective implementation of the same. With his focus on the future and commitment to innovation, he is guiding the company towards a brighter future. He is committed to excellence, innovation, and customer satisfaction, hence has been the driving force behind company's success.

2. Mr. Deepak Saraf

Mr. Deepak Saraf, aged 41 years, is the Whole-time Director and Promoter of our Company. He was appointed as Executive Director on June 26, 2006. Further in the year 2024, he was appointed as Whole -Time Director for a period of 5 years w.e.f August 16, 2024. He has completed 2nd year Bachelor of Commerce from University of Delhi in the year 2005. He has more than 18 years of experience in business expansion and product development.

3. Ms. Shalu Saraf

Ms. Shalu Saraf, aged 36 years, is the Executive Director and Promoter of our Company. She completed her Bachelor of Commerce from Delhi University, in the year 2010. She joined our Company in the year 2006 as a Finance Manager. She has been appointed as Executive Director effective July 20, 2024, and as Chief Financial Officer effective August 16, 2024. She brings a total of 17 years of experience in the field of finance. She assisted in managing the financial matters of the Company. She is presently looking into the financial and technical matters of the Company.

4. Mr. Ankit Saraf

Mr. Ankit Saraf, aged 33 Years, is a Non-Executive Director of our Company. He was appointed as an Executive Director on our Board since June 12, 2013. Further his designation has been changed to Non-executive Director w.e.f. August 16, 2024. He has completed his Bachelor of Commerce from School of Open Learning, Delhi University, in the year 2012. He has more than 11 years of experience in the field of marketing, business expansion specifically through online route.

5. Mr. Ankit Chamoli

Mr. Ankit Chamoli, aged 35, serves as an Independent Director of the Company. He was appointed as an Additional Independent Director on July 22, 2024, and his appointment was regularized effective August 16, 2024, for a term of five years. Mr. Chamoli is a qualified Chartered Accountant, having obtained his membership certificate and Certificate of Practice in 2011. Additionally, he completed a Diploma in Information Systems Audit from the Institute of Chartered Accountants of India in 2016. Currently, he is a practicing Chartered Accountant with over 13 years of experience in Audit, Advisory, Litigation, and Finance.

6. Mr. Ankush Kumar Chokhani

Mr. Ankush Kumar Chokhani, aged 34, is an Independent Director of our Company. He was appointed as an Additional Independent Director on July 22, 2024, and his position was regularized as of August 16, 2024, for a term of five years. He completed his Company Secretary qualification in 2013 and became a Chartered Accountant in 2019. Additionally, he obtained a membership certificate from the Institute of Company Secretaries of India in 2016. Currently a practicing Chartered Accountant, Mr. Chokhani has extensive experience of more than 05 years in the field of Secretarial, Compliance, Legal, Internal Audit, and Finance.

Note:

- 1) None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 3) None of the Promoters, Directors, or persons in control of our Company, have been or are involved as a promoter, Director, or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- 4) None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Red Herring Prospectus.
- 5) None of Promoters or Directors of our Company are a fugitive economic offender.
- 6) None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- 7) In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence

FAMILY RELATIONSHIP BETWEEN DIRECTORS

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

Sr. No.	Name of the Director	Relationship
1.	Mr. Amit Kumar Saraff and Mr. Deepak Saraf	Brothers
2.	Mr. Ankit Saraf and Ms. Shalu Saraf	Brother- Sister

Details of current and past Directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension.

None of our Directors is / was a director in any listed company during the last five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

Details of current and past Directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of Directors of a public listed company whose shares have been or were delisted from any stock exchange.

Details of arrangement or understanding with major shareholders, customers, suppliers, or others, pursuant to which of the Directors were selected as a director or member of senior management.

There are no arrangements or understandings with major shareholders, customers, suppliers, or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or member of the senior management.

TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS**i. Executive Directors**

Name	Mr. Amit Kumar Saraff
Designation	Managing Director
Period	Term: 5 years w.e.f August 16, 2024 to August 15, 2029.
Date of approval of shareholder	August 16, 2024
Remuneration (Amount in ₹ Lakhs)	Up to ₹ 15.50 per month
Perquisite	Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance/ Group Life Insurance, Provident Fund/Pension, Gratuity, use of car with driver, Telephone facility at residence.

Name	Mr. Deepak Saraf
Designation	Whole Time Director

Period	Term: 5 years w.e.f August 16, 2024 to August 15, 2029.
Date of approval of shareholder	August 16, 2024
Remuneration (Amount in ₹ Lakhs)	Up to ₹ 15.50 per month
Perquisite	Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance/ Group Life Insurance, Provident Fund/Pension, Gratuity, use of car with driver, Telephone facility at residence.

Name	Ms. Shalu Saraf
Designation	Executive Director and CFO
Period	Appointed w.e.f. July 20, 2024
Date of approval of shareholder	September 09, 2024
Remuneration (Amount in ₹ Lakhs)	Up to ₹ 7.00 per month
Perquisite	Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance/ Group Life Insurance, Provident Fund/Pension, Gratuity, use of car with driver, Telephone facility at residence.

ii. *Sitting Fees payable to Independent Director*

Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board. The sitting fees shall not exceed ₹ 1.00 Lakh per meeting and the maximum total Sitting fees paid to each director annually will be ₹ 12.00 Lakhs. They are entitled to a sitting fee for attending the meeting of the Board and the Committee thereof respectively.

Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him/her for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Equity Shares held	Holding in %	Category/Status
1.	Mr. Amit Kumar Saraff	40,02,383	25.41	Managing Director
2.	Mr. Deepak Saraf	40,02,383	25.41	Whole Time Director
3.	Ms. Shalu Saraf	23,09,034	14.66	Executive Director
4.	Mr. Ankit Saraf	23,09,041	14.66	Non-executive Director

INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as Directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Offer and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms, and trusts, if any, in which they are interested as Directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Offer. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by

the Company with either the Directors himself, other company in which they hold Directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of Our Company

Except Promoters, none of our Directors have any interest in the promotion of our Company.

Interest in the property of Our Company

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “***Financial Statement as Restated***” beginning on page SECTION IX - FINANCIAL STATEMENT AS RESTATED¹⁶¹ of this Draft Red Herring Prospectus, Our Directors have an interest in the property acquired by our Company in the preceding two years from the date of filing of this Draft Red Herring Prospectus.

Interest in the business of Our Company

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “***Financial Statement as Restated***” beginning on page number 161 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue, or any such intermediaries registered with SEBI.

DETAILS OF SERVICE CONTRACTS

Except as Discussed below, none of our Directors have entered 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 except for Managing Director and Whole-time Directors of our Company are appointed for specific terms and conditions for which formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

- Our Managing Director Mr. Amit Kumar Saraff has entered into a service agreement with our company for a tenure of 5 years w.e.f. August 16, 2024.
- Our Whole time Director Mr. Deepak Saraf has entered into a service agreement with our company for a tenure of 5 years w.e.f. August 16, 2024.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

There is no bonus or profit-sharing plan for the Directors of our Company.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

None of the Directors have received or is entitled to any contingent or deferred compensation.

OTHER INDIRECT INTEREST

Except as stated in chapter titled “***Financial Statement as Restated***” beginning on page 161 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

BORROWING POWER OF THE BOARD

In terms of the special resolution passed in the Extra Ordinary General Meeting of our Company held on August 16, 2024, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the

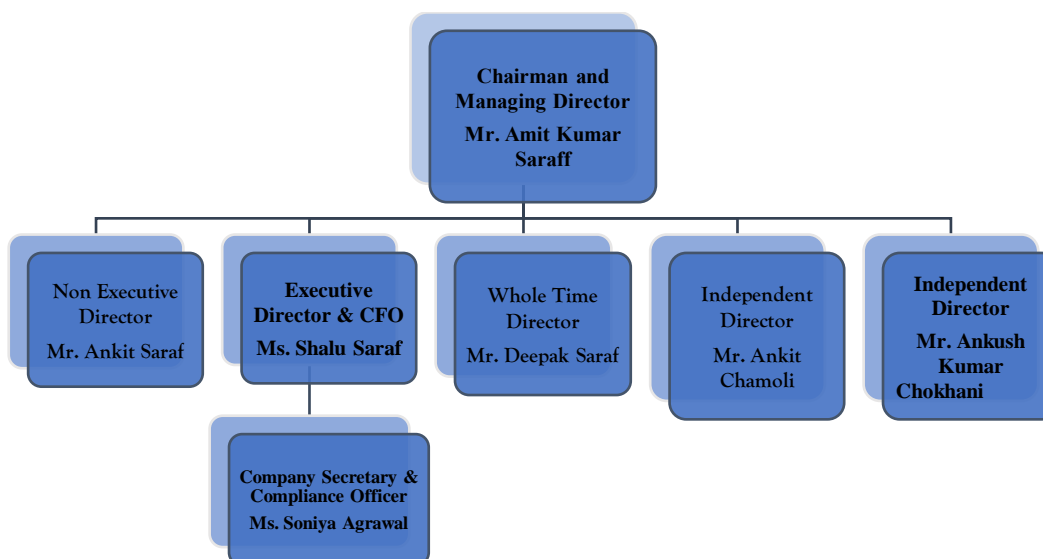
business) may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 100.00 Crore (Rupees One Hundred Crore Only).

CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of Directors	Date of Event	Nature of Event	Reason for the changes
Ms. Anita Saraf	July 20, 2024	Resignation	Resignation of Executive Director
Ms. Shalu Saraf	July 20, 2024	Appointment	Appointed as Additional Executive Director
Mr. Ankit Chamoli	July 22, 2024	Appointment	Appointed as Additional Independent Director
Mr. Ankush Kumar Chokhani	July 22, 2024	Appointment	Appointed as Additional Independent Director
Mr. Amit Kumar Saraff	August 16, 2024	Change in designation	Appointed as Managing Director
Mr. Deepak Saraf	August 16, 2024	Change in designation	Appointed as Whole Time Director
Mr. Ankit Saraf	August 16, 2024	Change in designation	Appointed as Non – Executive Director
Mr. Ankit Chamoli	August 16, 2024	Change in designation	Regularised as Independent Director
Mr. Ankush Kumar Chokhani	August 16, 2024	Change in designation	Regularised as Independent Director
Ms. Shalu Saraf	September 09, 2024	Change in designation	Regularised as Executive Director

MANAGEMENT ORGANISATION STRUCTURE



CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our company immediately up on 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 issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 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 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of Independent Directors including 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.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

AUDIT COMMITTEE

The Audit Committee was constituted vide Board resolution dated August 16, 2024 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Ankush Kumar Chokhani	Chairperson	Independent Director
Mr. Ankit Chamoli	Member	Independent Director
Mr. Amit Kumar Saraff	Member	Chairman and Managing Director

The Audit Committee shall vested with the following roles and responsibilities and powers:

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) to have full access to information contained in records of Company.

The role of the Audit Committee shall include the following:

- 1) oversight the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) 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;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) 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;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law; and
- 24) Carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations 2015.

Further, the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a Director shall be ceased to be a member of this committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on August 16, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Ankit Chamoli	Chairperson	Independent Director
Mr. Ankush Kumar Chokhani	Member	Independent Director
Mr. Ankit Saraf	Member	Non - Executive Director

The Nomination and Remuneration Committee shall vested with the following roles and responsibilities and powers:

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- 1) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) for the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- 3) formulation of criteria for evaluation of the performance of independent directors and the Board;
- 4) devising a policy on diversity of our Board;
- 5) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- 6) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 7) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
- 8) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- 9) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- 10) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- 11) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- 12) analyzing, monitoring and reviewing various human resource and compensation matters;
- 13) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 14) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- 15) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee may be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one Independent Director in presence.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed by the Board of Directors at the meeting held on August 16, 2024. As on the date of this Draft Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Ankit Chamoli	Chairman	Independent Director
Mr. Amit Kumar Saraff	Member	Chairman and Managing Director
Mr. Deepak Saraf	Member	Whole time Director
Ms. Shalu Saraf	Member	Executive Director and CFO
Mr. Ankit Saraf	Member	Non- Executive Director

The Stakeholders' Relationship Committee shall vested with the following roles and responsibilities and powers:

- 1) Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- 2) Review of measures taken for effective exercise of voting rights by shareholders;
- 3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- 4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- 5) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- 6) To approve, register, refuse to register transfer or transmission of shares and other securities;
- 7) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- 8) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- 9) To dematerialize or rematerialize the issued shares;
- 10) Ensure proper and timely attendance and redressal of investor queries and grievances;
- 11) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- 12) To perform such functions as may be delegated by the Board and to further delegate all or any of its power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- 13) Such terms of reference as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law

The Stakeholder Relationship Committee is required to meet at least one times in a year. The quorum will be either two members or one third of the members of the Stakeholder Relationship Committee whichever is greater, but there should be a minimum of two independent members present.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been formed by the Board of Directors at the meeting held on August 16, 2024. As on the date of this Draft Red Herring Prospectus the Corporate Social Responsibility Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Amit Kumar Saraff	Chairman	Chairman & Managing Director
Ms. Shalu Saraf	Member	Executive Director
Mr. Ankush Kumar Chokhani	Member	Independent Director

The terms of CSR Policy adopted by the Company are as follows:

Focus Area

In accordance with requirements of the Companies Act, 2013, the Company's CSR programs shall mainly focus on the following areas:

- Vocational Skill development programs
- Partnerships to preserve & promote indigenous heritage, culture, arts and handicrafts
- Disaster relief and rehabilitation programs
- Income-generation and livelihood enhancement programs

However, the Company may choose to undertake additional CSR Activities falling within the purview of Schedule VII of the Act, as may be amended from time to time, based on the recommendation of the CSR Committee and as may be approved by the Board of Directors.

CSR Budget

The amount to be spent by the Company shall be stipulated under the Act, as amended from time to time (presently 2% of the Average Net Profits of the Company for the preceding three financial years) and as approved by the Board. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company.

Responsibilities of the Board of Directors

The Board shall be responsible for

- Approving the CSR policy of the Company as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- Ensuring that in each financial year the Company spends such amounts for CSR activities as may be stipulated in the Act, as amended from time to time. (presently 2% of the average net profits of the Company made during the three immediately preceding financial years)
- Ensuring that the activities as are included in the CSR Policy are undertaken by the Company itself or through the entities recognized for CSR implementation under the Companies (Corporate Social Responsibility Policy) Rules ("CSR Rules") as amended from time to time.
- Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner intended.
- Monitoring the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and making modifications, if any, for smooth implementation of the projects within the overall permissible time period.
- Approving an Annual Action Plan as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit, based on the reasonable justification to that effect.
- Ensuring that the administrative overheads do not exceed five percent of total CSR expenditure of the Company for the financial year
- Approving, by means of a resolution, the carry forward of excess amounts spent towards CSR during a particular financial year against the CSR obligations of the Company for upto three immediately succeeding financial years
- Reviewing the Impact Assessment Reports to be annexed to the Company's annual report on CSR activities
- Displaying the composition of the CSR Committee, CSR Policy and CSR Projects approved by it on the Company's website

Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on EMERGE Platform of National Stock Exchange of India Limited.

OUR KEY MANAGERIAL PERSONNEL OTHER THAN EXECUTIVE DIRECTOR

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (Amount in ₹ Lakhs)
Name	Mr. Amit Kumar Saraff	2 nd Year B.com	NA	₹ 88.00
Designation	Chairman and Managing Director			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (Amount in ₹ Lakhs)
Date of Appointment	August 16, 2024			
Overall Experience	With over 20 years of experience in import, marketing, and distribution, he plays a crucial role in shaping and implementing business strategies. His focus on innovation and commitment to excellence has been instrumental in guiding the company toward continued success and customer satisfaction.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (Amount in ₹ Lakhs)
Name	Mr. Deepak Saraf	2 nd Year B.com	NA	₹ 85.00
Designation	Whole Time Director			
Date of Appointment	August 16, 2024			
Overall Experience	He has more than 18 years of experience in experience in business expansion and product development.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (Amount in ₹ Lakhs)
Name	Ms. Shalu Saraf	Bachelor of Commerce	NA	₹ 42.00
Designation	Chief Financial Officer			
Date of Appointment	August 16, 2024			
Overall Experience	She brings a total of 17 years of experience in the field of finance. She is presently looking into the financial and technical matters of the Company.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid till July 31, 2023-24 (Amount in ₹ Lakhs)
Name	Ms. Soniya Agrawal	She is an Associate Member of the Institute of Company Secretaries of India (ICSI) having Membership number-ACS- 51116	PCS Firm in Gurgaon	Nil (Appointed on July 22, 2024)
Designation	Company Secretary and Compliance Officer			
Date of Appointment	July 22, 2024			
Overall Experience	She possessed 7 years of post-Qualification experience in Company Law Compliance & Secretarial Audit, Due Diligence, Listing Compliance, Incorporation Services – Private, LLP, Name Approval, etc. She was a practicing Company Secretary for the period of May 2017 to November 2019 before joining CRC Executive at Central Registration Centre, Manesar from November 2019 to February 2022 and thereafter again worked as a practicing Company Secretary from March 2022 to July 2024.			

Notes:

- All our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned personnel was selected as a Director or member of senior management.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination of employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts, although they are abide by their terms of appointments.

FAMILY RELATIONSHIP BETWEEN KMP

Except the following, none of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Sr. No.	Name of the Director	Relationship
---------	----------------------	--------------

1.	Mr. Amit Kumar Saraff	Brother of Mr. Deepak Saraf
2.	Mr. Deepak Saraf	Brother of Mr. Amit Kumar Saraff

BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except the following KMPs none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:-

Sr. No.	Name of the KMP	No. of Equity Shares held	Holding in %
1.	Mr. Amit Kumar Saraff	40,02,383	25.41
2.	Mr. Deepak Saraf	40,02,383	25.41
3.	Ms. Shalu Saraf	23,09,034	14.66
4.	Ms. Soniya Agrawal	Nil	Nil

INTEREST OF KEY MANAGERIAL PERSONNEL

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of Director	Date of Joining	Reason for Change
1.	Mr. Amit Kumar Saraff	August 16, 2024	Appointed as Managing Director
2.	Mr. Deepak Saraf	August 16, 2024	Appointment as Whole time Director
3.	Ms. Shalu Saraf	August 16, 2024	Appointment as Chief Financial Officer
4.	Ms. Soniya Agrawal	August 16, 2024	Appointment as Company Secretary & Compliance Officer

Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

LOANS TO KEY MANAGERIAL PERSONNEL

Except as stated in the chapter titled **"Financial Statement as Restated"** beginning on page 161 of this Draft Red Herring Prospectus, there are no loans outstanding against the key managerial personnel as on the date of this Draft Red Herring Prospectus.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled **"Financial Statement as Restated"** and the chapter titled **"Our Business"** beginning on pages 161 and 106 of this Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

RETIREMENT BENEFITS

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

This space is intentionally left blank


OUR PROMOTERS




THE PROMOTERS OF OUR COMPANY ARE



Sr. No.	Name	Category	No. of Shares	% Holding
1.	Mr. Amit Kumar Saraff	Individual Promoter	40,02,383	25.41
2.	Mr. Deepak Saraf	Individual Promoter	40,02,383	25.41
3.	Mr. Ankit Saraf	Individual Promoter	23,09,041	14.66
4.	Ms. Shalu Saraf	Individual Promoter	23,09,034	14.66
5.	Ms. Savita Bansal	Individual Promoter	7,79,135	4.95
6.	Mr. Suresh Kumar Bansal	Individual Promoter	7,60,200	4.83
Total			1,41,62,176	89.93%

For details of the build-up of our promoters' shareholding in our Company, see section titled "*Capital Structure*" beginning on page 57 of this Draft Red Herring Prospectus.

Brief profile of our Promoters is as under

	Mr. Amit Kumar Saraff	
	Qualification	2 nd year Bachelor of Commerce
	Age	45 years
	Date of Birth	September 03, 1979
	Address	D-157, Antriksh Apartment, Sector-14, Rohini, Delhi 110085
	Experience	21 years
	Occupation	Business
	Permanent Account Number	AQFPS6730C
	No. of Equity Shares & % of Shareholding (Pre-Offer)	40,02,383 Equity Shares 25.41%
	Other Directorships & Ventures	<p>Indian Private Companies:</p> <ul style="list-style-type: none"> • Ambey Plywood Private Limited <p>Indian Public Companies Nil</p> <p>Section 8 Companies Nil</p> <p>Indian LLPs</p> <ul style="list-style-type: none"> • Saraff Tenets LLP • Kyros Innovations LLP
Mr. Deepak Saraf		
Qualification	2 nd year Bachelor of Commerce	
Age	41 years	
Date of Birth	March 16, 1983	
Address	D-145, Antriksh Apartment, Sector-14, Rohini, Delhi-110085	
Experience	18 years	
Occupation	Business	
Permanent Account Number	AXCPS2809J	
No. of Equity Shares & % Of Shareholding (Pre-Offer)	40,02,383 Equity Shares 25.41%	

	Other Directorships & Ventures	Indian Private Companies: Nil Indian Public Companies Nil Section 8 Companies Nil Indian LLPs <ul style="list-style-type: none"> • Saraff Tenets LLP
	Ms. Shalu Saraf	
Qualification	Bachelor of Commerce	
Age	36 years	
Date of Birth	July 05, 1988	
Address	C-109, Antriksh Apartment, Sector-14, Rohini, Delhi-110085	
Experience	17 years	
Occupation	Business	
Permanent Account Number	BGUPS6581D	
No. of Equity Shares & % Of Shareholding (Pre-Offer)	23,09,034 Equity Shares 14.66%	
Other Directorships & Ventures	Indian Private Companies: Nil Indian Public Companies Nil Section 8 Companies Nil Indian LLPs <ul style="list-style-type: none"> • Saraff Tenets LLP 	
	Mr. Ankit Saraf	
Qualification	Bachelor of Commerce	
Age	33 years	
Date of Birth	September 01, 1991	
Address	C-109, Antriksh Apartment, Sector-14, Rohini, Delhi-110085	
Experience	11 years	
Occupation	Business	
Permanent Account Number	CLNPS5458Q	
No. of Equity Shares & % Of Shareholding (Pre-Offer)	23,09,041 Equity Shares 14.66%	
Other Directorships & Ventures	Indian Private Companies: Nil Indian Public Companies Nil	

		Section 8 Companies Nil Indian LLPs <ul style="list-style-type: none"> Saraff Tenets LLP
	Ms. Savita Bansal	
	Qualification	Bachelor of Commerce
	Age	60 Years
	Date of Birth	June 30, 1964
	Address	Bhawani Enclave 3A, Panchwati Complex, VIP Road, Kaikhali, Rajarhat, Gopalpur (M), North 24 Parganas, West Bengal - 700052
	Experience	5 Years
	Occupation	Business
	Permanent Account Number	ATQPB9058G
	No. of Equity Shares & % Of Shareholding (Pre-Offer)	7,79,135 Equity Shares 4.95%
	Other Directorships & Ventures	NA
		Mr. Suresh Kumar Bansal
Qualification		Bachelor of Commerce
Age		64 Years
Date of Birth		April 15, 1960
Address		Bhawani Enclave 3A, Panchwati Complex, VIP Road, Kaikhali, Rajarhat, Gopalpur (M), North 24 Parganas, West Bengal - 700052
Experience		15 Years
Occupation		Business
Permanent Account Number		ASSPB1234B
No. of Equity Shares & % Of Shareholding (Pre-Offer)		7,60,200 Equity Shares 4.83%
Other Directorships & Ventures		Indian Private Companies: Nil Indian Public Companies Nil Section 8 Companies Nil Indian LLPs <ul style="list-style-type: none"> Saraff Tenets LLP

Brief profile of our Individual Promoters is as under:

1. Mr. Amit Kumar Saraff

Mr. Amit Kumar Saraff, aged 45 years, is the Chairman, Managing Director and Promoter of our company. He is a founding member of the Company and was appointed as First Director of the Company. Subsequently he was appointed as Chairman and Managing Director of the company with effect from August 16, 2024. He has completed 2nd year Bachelor of Commerce from Symbiosis College of Arts and Commerce, Pune University in the year 1999. He has more than 2 decades of experience in the field of import, marketing, and distribution. He plays a vital role in formulating business strategies and effective implementation of the same. With his focus on the future and commitment to innovation, he is guiding the company towards a brighter future. He is committed to excellence, innovation, and customer satisfaction, hence has been the driving force behind company's success.

2. Mr. Deepak Saraf

Mr. Deepak Saraf, aged 41 years, is the Whole-time Director and Promoter of our Company. He was appointed as Executive Director on June 26, 2006. Further in the year 2024, he was appointed as Whole -Time Director for a period of 5 years w.e.f August 16, 2024. He has completed 2nd year Bachelor of Commerce from University of Delhi in the year 2005. He has more than 18 years of experience in business expansion and product development

3. Ms. Shalu Saraf

Ms. Shalu Saraf, aged 36 years, is the Executive Director and Promoter of our Company. She completed her Bachelor of Commerce from Delhi University, in the year 2010. She joined our Company in the year 2006 as a Finance Manager. She has been appointed as Executive Director effective July 20, 2024, and as Chief Financial Officer effective August 16, 2024. She brings a total of 17 years of experience in the field of finance. She is presently looking into the financial and technical matters of the Company.

4. Mr. Ankit Saraf

Mr. Ankit Saraf, aged 33 Years, is a Non-Executive Director of our Company. He was appointed as an Executive Director on our Board since June 12, 2013. Further his designation has been changed to Non-executive Director w.e.f. August 16, 2024 He has completed his Bachelor of Commerce from School of Open Learning, Delhi University, in the year 2012. He has more than 11 years of experience in the field of marketing, business expansion specifically through online route.

5. Ms. Savita Bansal

Ms. Savita Bansal, aged 60 Years, is a Promoter of our Company. She has completed his Bachelor of Commerce from Mohta College, Rajasthan University in the year 1988. She has an experience of 05 years in the formulating business strategies. She guides the Company towards a bright future.

6. Mr. Suresh Kumar Bansal

Mr. Suresh Kumar Bansal, aged 64 Years, is a Promoter of our Company. He has completed his Bachelor of Commerce from Mohta College, Rajasthan University in the year 1984. He plays a vital role in formulating Business Strategies, Effective Implementation of the same and to take care of day-to-day activities. At present, he handles the sales of our entire north eastern and eastern states of India. With his experience of 15 years in the Company and his focus on the future and commitment to innovation, he guides the Company towards a brighter future. He is committed to excellence, innovation, and customer satisfaction.

For details pertaining to other ventures of our Promoters, refer chapter titled “*Our Group Companies*” beginning on page 158 of this Draft Red Herring Prospectus.

Relationship of Promoters with our Directors

Our Promoters are a part of our Board of Directors as Managing Directors and/or Directors. Except as stated below none of our promoters related to our company’s directors as per section 2(77) of Companies Act, 2013.

Sr. No.	Name of the Director	Relationship
1.	Mr. Amit Kumar Saraff and Mr. Deepak Saraf	Brothers
2.	Mr. Ankit Saraf and Ms. Shalu Saraf	Brother – Sister

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the EMERGE Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.

Our Promoters have confirmed that they have not been identified 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 Reserve Bank of India.

Our Promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority

INTEREST OF PROMOTERS

Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

Interest in the property of Our Company

Our Promoters not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

Interest as member of Our Company

Our Promoters, jointly hold 1,41,62,176 Equity Shares aggregating to 89.93% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Savita Bansal and Mr. Suresh Kumar Bansal given in the chapter titled — ***“Our Management”*** beginning on page number 135 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

Interest as Director of our Company

Except as stated in the ***“Related Party Transactions”*** beginning on page number 159 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

Disassociation by the Promoters in the last three years

Except as stated below, our Promoters have not disassociated themselves from any of the companies/partnership firms during preceding three years.

Sr. No.	Name of Promoter	Name of Entity	Reason for Disassociation	Date of Disassociation
1.	Mr. Amit Kumar Saraff	IMS Promoters & Developers Private Limited	Resignation from Directorship	April 18, 2023

Other Ventures of our Promoters

Save and except as disclosed in the chapters titled ***“Our Group Companies”*** beginning on page 158 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Change in the control of Our Company

There is no change in the control of our Company in the last three years.

Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled ***“Outstanding Litigation and Material Developments”*** beginning on page 173 of this Draft Red Herring Prospectus.

Payment of benefits to our Promoters and Promoter Group during the last two years

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing in the section titled “*Financial Statement as Restated*” beginning on page number 161 of the Draft Red Herring Prospectus, there has been no payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

Other Confirmations

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 173 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulter nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

Guarantees

Except as stated in the section titled “*Financial Statements as Restated*” beginning on page 161 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing in the section titled “*Financial Statement as Restated*” beginning on page number 161 of the Draft Red Herring Prospectus.

Information of our group companies

For details related to our group companies please refer “*Our Group Companies*” on page no. 158 of this Draft Red Herring Prospectus.

This space is left blank intentionally

OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Relationship	Name of the Relatives					
	Mr. Amit Kumar Saraff	Mr. Deepak Saraf	Ms. Shalu Saraf	Mr. Ankit Saraf	Ms. Savita Bansal	Mr. Suresh Kumar Bansal
Father	Late Mr. Vijay Saraff	Late Mr. Vijay Saraf	Late Shri. Suresh Saraf	Late Shri. Suresh Saraf	Late Sh. Mohan Lal Saraf	Late Sh. Mahadev Prasad Bansal
Mother	Mrs. Kusum Lata Saraf	Mrs. Kusum Lata Saraf	Mrs. Anita Saraf	Mrs. Anita Saraf	Late Smt. Laxmi Devi	Mrs. Saraswati Devi Bansal
Spouse	Mrs. Simmi Saraf	Mrs. Preeti Saraf		Mrs. Tisha Saraf	Sh. Suresh Kumar Bansal	Mrs. Savita Bansal
Brother(s)	Mr. Deepak Saraf	Mr. Amit Kumar Saraff	Mr. Ankit Saraf	Mr. Rohit Saraf	Late Sh. Vija Saraf	NA
			Mr. Rohit Saraf		Late Sh. Suresh Saraf	
Sister(s)	Mrs. Neelam Saria	Mrs. Neelam Saria	Ms. Swati Saraf	Ms. Swati Saraf,	Mrs. Sarala Devi Chaudhary	NA
			Ms. Megha Saraf	Ms. Shalu Saraf		
			Ms. Megha Saraf	Ms. Megha Saraf		
Son(s)	NA	Master Yuvaan	NA	NA	Mr. Yash Bansal	Mr. Yash Bansal
Daughter(s)	Ms. Suchi Saraf	Ms. Yhavi Saraf	NA	Ms. Rabhaya Saraf	Mrs. Priyanka Poddar	Mrs. Priyanka Poddar
	Ms. Shreya Saraf				Ms. Divya Bansal	Ms. Divya Bansal
Spouse's Father	Mr. Sajjan Bhangar	Mr. Bharat Kumar Agrawal	NA	Mr. Satish Pujara	Late Sh. Mahadev Prasad Bansal	Late Sh. Mohan Lal Saraf
Spouse's Mother	Mrs. Nirmala Devi Bhangar	Mrs. Santosh Devi Agrawal	NA	Mrs. Seema Pujara	Mrs. Saraswati Devi Bansal	Late Smt. Laxmi Devi
Spouse's Brother(s)	Mr. Ankur Bhangar	Mr. Suraj Agarwal	NA	Mr. Satyam Pujara	NA	Late Sh. Vijay Saraf
						Late Sh. Suresh Saraf
Spouse's Sister(s)	NA	Mrs. Nisha Goyal,	NA	Mrs. Yamini Bajaj	NA	Mrs. Sarala Devi Chaudhary
		Ms. Sweety Agarwal				
		Ms. Priya Agrawal				

Companies related to our Promoter Company: Not Applicable as our Promoter is not Company

Particulars	Entity
Subsidiary or holding Company of Promoter Company	NA

Any Body corporate in which Promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the Promoter (Body Corporate)	NA
---	----

**Companies, Partnership and Proprietorship firms forming part of our Promoter Group are as follows:
As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:**

Nature of Relationship	Name of Entities
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 HUF in which the promoters or any one or more of his immediate relatives is a member.	<ul style="list-style-type: none"> • IMS Promoters and Developers Private Limited • Ambey Plywood Private limited • 3F retail Private Limited • Kyros Innovation LLP • Saraff Tenets LLP
Any body corporate in which a body corporate as mentioned above holds 20% or more of the total share capital.	NA
Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total capital.	<ul style="list-style-type: none"> • Amit Saraf HUF • Vijay Kusum Amit & Deepak HUF • Deepak Saraf HUF • Suresh Kumar HUF

COMMON PURSUITS OF OUR PROMOTERS

None of the Promoter Group Entity is having business objects similar to our business.

This space has been left blank intentionally

OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies 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 stub period (if any) and others as considered material by our Board. Further, pursuant to a resolution of our Board dated August 16, 2024 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as Group Company if such company fulfils the below mentioned conditions:

- (i) the companies (other than the promoters and subsidiaries) with which there were related party transactions as per the restated financial statements of our Company which are included in the offer documents during the relevant period; and
- (ii) It is a member of the Promoter Group (companies) (other than the Promoters) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations or the companies (other than the promoters and subsidiaries) and with which there were transactions, which individually or in the aggregate, exceed 10% total revenue of our company, as per last audited financial statements on a consolidated basis.

Based on the above, 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.

This space has been intentionally left blank

RELATED PARTY TRANSACTION

For details on related party transactions of our Company, please refer to Related Party Transaction of the chapter titled “*Financials Statements as Restated*” beginning on page 161 of this Draft Red Herring Prospectus.

This space is left blank intentionally

DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Article of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous financial years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

For details of risks in relation to our capability to pay dividend, see “**Risk Factors**” beginning on page 25 of the Draft Red Herring Prospectus. Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid / declared any dividend in last three years from date of this Draft Red Herring Prospectus.

This space has been intentionally left blank

SECTION IX - FINANCIAL STATEMENT AS RESTATED

Sr. No.	Particulars	Page No.
1	Restated Financial Statement	{F}1 to {F}20

This space has been intentionally left blank

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors,
IMS Mercantiles Limited
(Formerly known as "IMS Mercantiles Private Limited")
Unit No. 704, Ring Road Mall,
Sector-3, Rohini,
North West Delhi- 110085, Delhi

1. We have examined the attached Restated Financial Information of IMS Mercantiles Limited (Formerly known as "IMS Mercantiles Private Limited") (hereafter referred to as "**the Company**", "Issuer") comprising the restated statement of asset and liabilities as at 31 July, 2024, 31 March 2024, 31 March 2023 and 31 March 2022, the restated statement of profit & loss and restated statement of cash flow for the period ended on 31 July, 2024 and for the year ended on 31 March 2024, 31 March 2023 and 31 March 2022, the summary statement of significant accounting policies, and other explanatory information (collectively referred to as the "**restated financial information**" or "**Restated Financial Statements**"), annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on Designated Stock Exchange of the company.
2. Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI (ICDR) Regulations**"); and
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").
3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus to be filed with the stock exchanges where the equity shares of the Company are proposed to be listed and Registrar of Companies, in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure-4 of the Restated Financial Information. The Board of Directors of the Company are responsibility for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI (ICDR) Regulations and the Guidance Note.
4. We have examined such Restated Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed IPO;
 - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
 - d. The 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 your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. These Restated Financial Information have been compiled by the management from audited financial statements of the Company for the period ended 31 July, 2024 and for the year ended 31 March 2024, 31 March 2023, and 31 March 2022 prepared in accordance with the Accounting Standards (referred to as “AS”) as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors.
 6. For the purpose of our examination, we have relied on:
 - a. Audit for the financial statements for the period ended 31 July 2024 which was audited by us vide our report dated 12th October 2024 and Audit for the Financial year ended 31 March 2024 was audited by us vide our report dated 03 September 2024, Audit for the financial year ended 31 March 2023, 31 March 2022 was conducted by Agarwal Preeti & Associates vide report dated 02 September 2023 and 30 August 2022 respectively. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Financial Statements of the Company. The financial report included for these years is based solely on the report submitted by him, .
 7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed for the respective years, we report that the Restated Financial Information:
 - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial period ended 31 July, 2024 and for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications.
 - b. does not contain any qualifications requiring adjustments.
 - c. have been prepared in accordance with the Act, the SEBI (ICDR) Regulations, 2018 and the Guidance Note.
 8. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements.
 9. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
 - a. The “**restated statement of asset and liabilities**” of the Company as at 31 July, 2024, 31 March 2024, 31 March 2023, and 31 March 2022 examined by us, as set out in **the accompanying Restated Financial Statements** read with significant accounting policies has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - b. The “**restated statement of profit and loss**” of the Company for the financial period ended 31 July, 2024, and for the year ended 31 March 2024, 31 March 2023, and 31 March 2022 examined by us, as set out in **the accompanying Restated Financial Statements** read with significant accounting policies has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - c. The “**restated statement of cash flows**” of the Company for the financial period ended 31 July, 2024, and for the year ended 31 March 2024, 31 March 2023, and 31 March 2022 examined by us, as set out in **the**

accompanying Restated Financial Statements read with significant accounting policies has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.

10. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial period ended 31 July, 2024 and for the year ended 31 March 2024, 31 March 2023, and 31 March 2022 proposed to be included in the Offer Document.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus to be filed with designated Stock Exchange in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Gupta Jalan & Associates
Chartered Accountants
Firm Registration No.: 003721N

Sd/-
Ankit Todi
Partner
Membership No.: 520410
UDIN: 24520410BKKEGOJ1847
Place: New Delhi
Date: 17th October, 2024

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles (P) Ltd)

CIN: U51395DL2003PLC121932

Restated Balance sheet:

(Rs. in Lakhs)

Particulars	Note No.	As at	As at	As at	As at
		July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	1,574.84	219.92	219.92	219.92
Reserves and surplus	4	2,385.49	3,003.24	1,996.42	1,512.07
		3,960.33	3,223.16	2,216.34	1,731.98
Non-current liabilities					
Long-term Borrowings	5	694.15	722.93	938.37	982.04
Long-term Provisions	6	225.03	222.48	196.26	176.93
Current liabilities					
Short-term borrowings	7	1,314.32	1,328.95	1,269.88	1,003.67
Trade payables	8				
Total outstanding dues of Micro enterprises and Small Enterprises		16.99	2.97	99.50	261.96
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		3.33	401.01	701.02	567.38
Other current liabilities	9	745.86	398.05	240.65	272.36
Short-term provisions	10	550.65	112.07	33.75	27.27
		3,550.35	3,188.47	3,479.42	3,291.60
Total		7,510.68	6,411.62	5,695.76	5,023.59
ASSETS					
Non-current assets					
Property, Plant and Equipment	11	580.98	598.43	525.35	503.77
Deferred Tax Assets (Net)	12	52.14	59.06	45.42	35.99
Long-term loans and advances			-	-	12.80
Other Non current Assets	13	8.42	8.25	5.93	5.29
		641.54	665.74	576.70	557.84
Current assets					
Inventories	14	2,241.88	2,402.57	2,005.88	1,902.31
Trade receivables	15	2,583.17	1,585.78	1,768.55	1,368.78
Cash and Cash equivalents	16	190.12	382.23	166.09	447.38
Short-term loans and advances	17	1,853.88	1,350.53	1,171.83	743.39
Other current assets	18	0.09	24.78	6.71	3.89
		6,869.14	5,745.89	5,119.05	4,465.75
Total		7,510.68	6,411.62	5,695.75	5,023.58

Summary of significant accounting policies 2

The accompanying notes form an integral part of the Restated financial statements.

For Gupta Jalan & Associates
Chartered Accountants
Firm Regn. No. 003721N

For and on behalf of the Board of Directors of
IMS Mercantiles Limited

Sd/-
Ankit Todi
(Partner)
M.No. 520410
Place: Delhi
Date: 17th October, 2024
UDIN: 24520410BKEGOJ1847

Sd/-
Amit Kumar Saraff
(Managing Director)
DIN: 00450475
Place: Delhi

Sd/-
Deepak Saraf
(Director)
DIN: 01055425
Place: Delhi

Sd/-
Shalu Saraf
(Chief Financial Officer)
DIN: 10002853
Place: Delhi

Sd/-
Soniya Agrawal
(Company Secretary)
M.No. A51116
Place: Delhi

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)
CIN: U51395DL2003PLC121932

Restated Cashflow Statement:

(Rs. in Lakhs)

Particulars	For the period ended July 31, 2024	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. Cash flows from Operating activities				
Profit before extraordinary items and tax	603.45	1,351.07	646.81	648.93
Adjustments for non-cash expenses/(income)				
Interest Expenses	54.42	242.22	183.05	167.78
Depreciation and amortisation expense	17.70	58.98	51.94	46.98
Provision for doubtful debtors	-	18.95	2.96	4.19
Unrealised Foreign Exchange (Gains)/Losses	-	(2.97)	-	(2.76)
Loss on sale of property, plant and equipment	-	0.36	0.02	-
Interest Income	(0.89)	(6.78)	(5.10)	(7.63)
Operating profit before changes in working capital	674.67	1,661.83	879.69	857.50
Adjustments for working capital changes				
Decrease/(Increase) in Inventory	160.69	(396.69)	(103.57)	(47.84)
Decrease/(Increase) in Trade Receivables	(997.40)	163.82	(402.74)	259.14
Decrease/(Increase) in Loans & Advances	(453.35)	(178.70)	(415.65)	(329.63)
Decrease/(Increase) in Other Assets	24.52	(20.39)	(3.45)	16.31
Increase/(Decrease) in Trade payables	(383.66)	(393.56)	(28.83)	24.37
Increase/(Decrease) in Other Current Liabilities	347.82	157.40	(31.71)	(252.76)
Increase/(Decrease) in Provisions	289.25	104.56	25.80	25.13
Total adjustments for working capital	(1,012.12)	(563.57)	(960.13)	(305.28)
Net cash flows from (used in) operations	(337.45)	1,098.26	(80.45)	552.23
Income taxes paid (net of refund)	(50.00)	(357.89)	(171.89)	(174.68)
Net cash flows from Operating Activities	(A)	(387.45)	740.37	(252.34)
B. Cash flows from Investing activities				
Purchase of property, plant & equipments including capital advances	(0.72)	(133.62)	(73.80)	(58.71)
Sale of property, plant & equipments	0.47	1.21	0.25	-
Adjustment for (Increase)/Decrease of non current assets				
Interest Received	0.89	6.78	5.10	7.63
Net cash flows from/(used in) Investing Activities	(B)	0.64	(125.63)	(68.45)
C. Cash flows from Financing activities				
Proceeds/(Repayments) of Short term borrowings	(14.64)	92.23	255.45	(139.99)
Proceeds/(Repayments) of Long term borrowings	(28.77)	-	66.42	-
Proceeds from Issue of Share Capital	292.51	(248.61)	(99.33)	(146.70)
Interest paid	(54.42)	(242.22)	(183.05)	(167.78)
Net cash flows from Financing Activities	(C)	194.68	(398.59)	39.49
Net Increase/(Decrease) in Cash and cash equivalents	(A+B+C)	(192.12)	216.15	(281.29)
Cash and cash equivalents at beginning of period		382.23	166.09	447.38
Cash and cash equivalents at end of period		190.11	382.24	166.09

Summary of significant accounting policies

2

The accompanying notes form an integral part of the Restated financial statements.

For Gupta Jalan & Associates
Chartered Accountants
Firm Regn. No. 003721N

For and on behalf of the Board of Directors of
IMS Mercantiles Limited

Sd/-
Ankit Todi
(Partner)
M.No. 520410
Place: Delhi
Date: 17th October, 2024
UDIN: 24520410BKGOJ1847

Sd/-
Amit Kumar Saraff
(Managing Director)
DIN No. 00450475
Place: Delhi

Sd/-
Deepak Saraf
(Director)
DIN No.01055425
Place: Delhi

Sd/-
Shalu Saraf
(Chief Financial Officer)
DIN No. 10002853
Place: Delhi

Sd/-
Soniya Agrawal
(Company Secretary)
M.No. A51116
Place: Delhi

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles (P) Ltd)
CIN: U51395DL2003PLC121932

Restated Statement of Profit and Loss:

(Rs. in Lakhs)

Particulars	Note No.	For the period ended July 31, 2024	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue					
Revenue from operations	19	6,708.48	17,610.59	13,484.15	12,790.86
Other income	20	34.43	108.42	62.82	32.02
Total Income		6,742.91	17,719.00	13,546.97	12,822.88
Expenses					
Purchases of stock in trade	21	4,327.18	11,423.69	8,809.99	8,398.43
Changes in inventories of stock in trade	22	160.69	(396.69)	(103.57)	(47.84)
Employee benefits expense	23	357.41	1,054.94	859.99	736.78
Finance costs	24	61.00	257.00	197.69	184.30
Depreciation and amortisation expense	11	17.70	58.98	51.94	46.98
Other expenses	25	1,215.49	3,970.01	3,084.12	2,855.30
Total Expenses		6,139.46	16,367.93	12,900.16	12,173.95
Profit before exceptional and extraordinary items and tax		603.45	1,351.07	646.81	648.93
Exceptional items		-	-	-	-
Profit before extraordinary items and tax		603.45	1,351.07	646.81	648.93
Extraordinary items					-
Profit Before Tax		603.45	1,351.07	646.81	648.93
Tax expense:					
Less : Current Tax Expense		151.88	(357.89)	(176.29)	(174.68)
Less : Deferred Tax Charge/(Credit)		6.91	(13.63)	(9.44)	(8.95)
Excess/Short provision relating to previous year				(4.40)	-
Profit for the period		444.66	1,006.82	484.36	483.21
Earning Per Equity share					
- Basic	26	2.88	45.78	22.02	21.97
- Diluted	26	2.88	45.78	22.02	21.97

Summary of significant accounting policies

2

The accompanying notes form an integral part of the Restated financial statements.

For Gupta Jalan & Associates
Chartered Accountants
Firm Regn. No. 003721N

For and on behalf of the Board of Directors of
IMS Mercantiles Limited

Sd/-
Ankit Todi
(Partner)
M.No. 520410
Place: Delhi
Date: 17th October, 2024
UDIN: 24520410BKGOJ1847

Sd/-
Amit Kumar Saraff
(Managing Director)
DIN No. 00450475
Place: Delhi

Sd/-
Deepak Saraf
(Director)
DIN No. 01055425
Place: Delhi

Sd/-
Shalu Saraf
(Chief Financial Officer)
DIN No. 10002853
Place: Delhi

Sd/-
Soniya Agrawal
(Company Secretary)
M.No. A51116
Place: Delhi

1. Corporate Information

IMS Mercantiles Limited ('The Company') has been incorporated on 26 August 2003 in India as Indian Non Government Private Company. However, upon conversion of company to Public company, the name of company has been converted to IMS Mercantiles Limited. The address of its Registered Office is 704, 7th Floor, Ring Road Mall, Sector-3, Rohini, Delhi - 110085. The Company is primarily carrying on business of Import, Export and Trading of Technology driven items such as rechargeable batteries, chargers, photographic accessories and mobile accessories. The Company operates through a Pan India network of distributors and sub distributors and has its own branches in various cities. The Company is an active participant in this e-commerce era and has its presence on almost every known E-retailers website.

2. Significant accounting policies

2.1 Basis of Preparation of financial statements

The Restated Balance Sheet as at July 31, 2024, the Restated Statement of Profit & Loss and Restated Cash Flow Statement for the period ended July 31, 2024, and the annexures thereto (herein collectively referred to as 'Restated Financial Information' have been compiled by the management of the Company and then Restated financial statements of the Company for the period ended July 31, 2024, and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of a nation wide stock exchange.

The Restated Restated financial statements have been prepared in accordance with the historical cost convention following the going concern concept and on accrual basis of accounting, in conformity with the accounting principles generally accepted in India and comply with the accounting standard referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncement of ICAI, provisions of the Companies Act as applicable.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

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 nature of products/ services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

All amounts disclosed in the Restated financial statements and notes are in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.2 Use of Estimates

The preparation of Restated financial statements with GAAP requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the Restated financial statements, and the reported amounts of revenues, expenses and the results of operations during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an "ongoing basis". Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of Restated financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Property, plant and equipment (PPE) and Depreciation

Property, plant and equipment (PPE) are stated at at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Depreciation on PPE has been provided on the basis of straight line method over the estimated useful lives of the assets as prescribed in the Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each year end.

Name of Asset	Useful Life of Asset
Computers & Accessories	3 Years
Furniture & Fixtures	10 Years
Telecommunication Equipments	10 Years
Office Equipments	5 Years
Air conditioner	5 Years
Buildings	60 Years
Vehicles	8-10 Years

Notes forming part of Restated financial statements

2.4 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in-first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of goods and the estimated costs necessary to make the sale.

2.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured.

Sale of goods/services is recognised when significant risks and rewards of ownership are transferred to the customers. All other income have been accounted for on accrual basis except for those entailing recognition on realization basis under AS-9 on the ground of uncertainty factor. Sales are net of return, discounts & taxes.

Interest Income

Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

2.6 Employee Benefits

Short-term employee benefits

Short term benefits including salaries, short term compensated absences whether the absences are expected to occur within 12 months after the end of the reporting period in which the employees renders the related services, profit sharing and bonus payable within 12 months after the end of the reporting period in which the employees renders the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Defined contribution plans

Provident Fund and Employees State Insurance is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred.

Defined benefit plan

Gratuity liability is a defined obligation. Such defined benefits are charged to the Statement of Profit and Loss based on valuations made by independent actuary using the Projected Unit Credit Method, as at the Balance Sheet date.

2.7 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.8 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.9 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

2.10 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The company does not recognize a contingent liability but discloses its existence in the Restated financial statements.

2.11 Foreign Currency Transactions

i) Initial Recognition:

ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.12 Borrowing cost

Borrowing cost attributable to acquisitions and construction of assets are capitalized as a part of cost of such assets upto the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

2.13 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises cash at banks and cash on hand and short term deposits/ investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

2.14 Current and Non Current Classification

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

Assets

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

Liabilities

A liability is current when:

- It is expected to be settled in Company's normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Company classifies all other liabilities as non-current.

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

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

2.15 Leases

Where the company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as expenses in the statement of Profit & Loss Account on a straight-line basis over the lease term.

2.16 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in AS 3 'Cash Flows Statement', adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and
- iii. all other items for which the cash effects are investing or financing cash flows.

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)
CIN: U51395DL2003PLC121932

Notes forming part of Restated Financial Statements

(Rs. in Lakhs)

3. Share capital	As at	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Authorised share capital:				
2,25,00,000 Equity Shares of Rs. 10.00 each	2250.00	250.00	250.00	250.00
Issued, subscribed and fully paid up:				
1,57,48,389 Equity Shares of Rs. 10 each	1574.84	219.92	219.92	219.92
Total	1,574.84	219.92	219.92	219.92

(a) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of Rs. 10 each fully paid up

Particulars	As on		As at		As at		As at	
	July 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Outstanding at the beginning of the period	21,99,150	219.92	21,99,150	219.92	21,99,150	219.92	21,99,150	219.92
Add : Bonus shares issued during the period	1,31,94,900	1,319.49	-	-	-	-	-	-
Add : Shares issued during the period	3,54,339	35.43						
Outstanding at the end of the period	1,57,48,389	1,574.84	21,99,150	219.92	21,99,150	219.92	21,99,150	219.92

(c) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As on July 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Amit Kumar Saraff	4002383	25.41%	571769	26.00%	667760	30.36%	341920	15.55%
Ankit Saraf	2309041	14.66%	329863	15.00%	68250	0.00%		
Savita Bansal	779135	4.95%	111305	5.06%	10	0.00%	140250	6.38%
Shalu Saraf	2309034	14.66%	329862	15.00%	87750	0.00%		
Suresh Bansal	760200	4.83%	108600	4.94%	108600	4.94%		
Deepak Saraf	4002383	25.41%	571769	26.00%	339330	15.43%	147710	6.72%

As per records of the Company including its register of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

(d) Details of promoters holding

Particulars	As on July 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Amit Kumar Saraff	4002383	25.41%	571769	26.00%	667760	30.36%	341920	15.55%
Ankit Saraf	2309041	14.66%	329863	15.00%	68250	0.00%		
Savita Bansal	779135	4.95%	111305	5.06%	10	0.00%	140250	6.38%
Shalu Saraf	2309034	14.66%	329862	15.00%	87750	0.00%		
Suresh Bansal	760200	4.83%	108600	4.94%	108600	4.94%		
Deepak Saraf	4002383	25.41%	571769	26.00%	339330	15.43%	147710	6.72%

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)
CIN: U51395DL2003PLC121932

Notes forming part of Audited financial statements

(Rs. in Lakhs)

4. Reserves and surplus	As AT	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Securities Premium				
Balance as at the beginning of the period	187.16	187.16	187.16	187.16
Add: Addition during the period	257.07	-	-	-
Less: Utilised during the period	-	-	-	-
Balance as at the end of the period	444.23	187.16	187.16	187.16
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the period	2,816.09	1,809.27	1,324.91	841.70
Less: Utilised during the period for issue of Bonus Shares	(1,319.49)			
Add: Profit for the period	444.66	1,006.82	484.36	483.21
Balance as at the end of the period	1,941.26	2,816.09	1,809.27	1,324.91
Total	2,385.49	3,003.24	1,996.42	1,512.07

(Rs. in Lakhs)

5. Long-term Borrowings	As At	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
From Banks (Secured)				
(i) Term loan - ECLGS	-	17.64	84.71	146.46
(ii) Vehicle loans	114.12	123.30	47.68	3.71
	114.12	140.95	132.39	150.17
Less :- Current maturities (refer note 7)	(19.23)	(46.06)	(75.65)	(65.47)
Net Long Term Borrowings (Banks)	94.89	94.89	56.74	84.71
From Non-banking financial institution				
(iii) Vehicle loan-NBFC	1.37	4.04	11.66	18.69
Less :- Current maturities (refer note 7)	(1.37)	(4.04)	(7.61)	(7.03)
Net Long Term Borrowings (Banks)	-	0.00	4.04	11.66
(iv) Unsecured Loans from related parties	457.82	519.26	755.03	683.93
(v) Unsecured Loans from others	141.44	108.78	122.56	201.76
Total	694.15	722.93	938.37	982.04

I. Term loan from Indian bank HDFC - Term loan Emergency Credit line Guaranteed Scheme (ECLGS) was sanctioned by way of Working Capital Term loan (WCTL) in the terms of Government of India. This facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd (Ministry of Finance, Government of India). This loan is secured by second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. No processing fee was charged on this loan. The said loan carry interest rate 8.25% and repayable in 36 Equated Monthly installments after a 12 month moratorium period of principal.

II. Vehicle loan from banks are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. The said loans carry interest rate which varies 8.00% to 8.84% and repayable in 60 Equated Monthly installments.

III. Vehicle loan from Non-banking financial institution is secured by hypothecation of specific vehicle acquired out of proceeds of the Loans. The said loans carry interest rate 8.00% and repayable in 60 Equated Monthly installments.

IV. Unsecured Loans carrying interest @ 9% - 14% p.a. and are payable after 15 months to 36 months from the date of receipt.

V. The Company has used the borrowings from banks and financial institution for the specific purpose for which it was taken at the balance sheet date.

VI. As on the balance sheet date, there is no default in repayment of loan and interest.

(Rs. in Lakhs)

6. Long term provisions	As At	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Provision for Gratuity	225.03	222.48	196.26	176.93
Total	225.03	222.48	196.26	176.93

(Rs. in Lakhs)

7. Short-term Borrowings	As at	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
From Banks (Secured)				
Working Capital Loan	1,293.72	1,278.85	1,186.62	931.17
Current maturities of long term borrowings				
Term Loan from bank- ECLGS		17.64	67.06	61.76
Vehicle Loan from bank	19.23	28.42	8.58	3.71
Vehicle Loan from Non-banking financial institution	1.37	4.04	7.61	7.03
Total	1,314.32	1,328.95	1,269.88	1,003.67

I. Working capital loans from HDFC Bank are secured by first charge on mortgage on immovable properties [Residential property, Commercial property, Vacant/Rented property, Residential Staff Quarters, Godown Property etc.], Fixed Deposit for Letter of Credit, and further secured by way of second charge by way of hypothecation on current assets, present & future, including entire stock (including available stock at various branches), book debts and personal guarantees by all the directors of the company and the property owners. These loans are repayable on demand. Rupee working capital loan carry an interest at 3 months MCLR.

•Collateral Security: Charge/Mortgage on:-

- Commercial Property at 704, 7th Floor, V3S Ring Road Mall, Mangalam Place, Plot no. 21, Sec-3, Rohini, Delhi - 110085 owned by the Company.
- Commercial Property at 705, 7th Floor, V3S Ring Road Mall, Mangalam Place, Plot no. 21, Sec-3, Rohini, Delhi - 110085 owned by the Company.
- Residential Flat/ C-109, 6th Floor, Antriksh Apartments, Sector-14, Rohini, Delhi – 110085 owned by Mrs. Anita Saraf, Director of the company.
- Residential Property no. 21, Pocket – 09, Sector-21, Rohini, Delhi – 110086 owned by Mrs. Anita Saraf, Director of the company.
- Residential Property no. 22, Pocket – 09, Sector-21, Rohini, Delhi – 110086 owned by Mrs. Anita Saraf, Director of the company.
- Residential Property no. Flat no. 1506, First Floor, Pocket-GH-1, Sector-28, Rohini, Delhi – 110042 owned by Mrs Kusum Lata Saraf, Relative of Directors.
- Residential Property no. Flat no. 1507, First Floor, Pocket-GH-1, Sector-28, Rohini, Delhi – 110042 owned by Mrs Anita Saraf, Director of the company.
- Residential Property at D-145, Antriksh Apartments, Sector-14, Rohini, Delhi – 110085 owned by Mr. Deepak Saraf & Mrs Preeti Saraf, the Director of the company and his relative.
- Personal Guarantees given by all the directors of the company and the property owners.

II. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

8. Trade payables	As at	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Dues of micro & small enterprises (refer note 31)	16.99	2.97	99.50	261.96
Dues of other than micro & small enterprises	3.33	401.01	701.02	567.38
Total	20.33	403.99	800.51	829.34

Trade Payable Ageing Schedule as on 31st July 2024

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	16.99	-	-	-	16.99
(ii) Others	3.24	0.09	-	-	3.33
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Trade Payable Ageing Schedule as on 31st March 2024

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	2.97	-	-	-	2.97
(ii) Others	400.92	0.09	-	-	401.01
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Trade Payable Ageing Schedule as on 31st March 2023

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	99.50	-	-	-	99.50
(ii) Others	700.70	0.31	-	-	701.02
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Trade Payable Ageing Schedule as on 31st March 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	261.96	-	-	-	261.96
(ii) Others	567.38	-	-	-	567.38
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

(Rs. in Lakhs)

9. Other current liabilities	As at	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Advance for Customers	368.04	151.03	124.93	171.91
Due to Statutory authorities	113.34	142.35	39.42	37.30
Expenses payable	194.71	27.30	13.73	7.18
Employee benefits payable *	69.77	77.37	62.57	55.97
Total	745.86	398.05	240.65	272.36

* Amount includes Rs. 20.59 lakhs (July 31, 2024) payable to KMP's (refer note 28).

(Rs. in Lakhs)

10. Short-term provisions	As at	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Provision for Gratuity	40.88	41.64	33.75	25.66
Provision For Income Tax (Net of Advance Tax)	509.76	70.44	0.00	1.61
Total	550.65	112.07	33.75	27.27

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)
CIN: U51395DL2003PLC121932

Notes forming part of Restated financial statements

11. Property, plant and equipments											(Rs. in Lakhs)
Gross Block	Land	Computers & Accessories	Furniture & Fixtures	Telecommunication Equipments	Office Equipments	Air conditioner	Other Building	Office Building	Cycles	Motor Vehicles	Total
Balance as at March 31, 2021	-	51.95	65.21	15.16	17.81	5.34	54.76	100.82	0.27	231.98	543.29
Additions	219.90	5.23	10.39	6.33	6.96	2.60	-	-	-	-	251.42
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	219.90	57.18	75.60	21.49	24.78	7.94	54.76	100.82	0.27	231.98	794.71
Additions	-	3.43	-	2.98	6.46	-	-	-	-	60.94	73.80
Disposal / Adjustments	-	21.98	21.70	8.44	12.17	3.40	-	-	-	5.49	73.18
As at March 31, 2023	219.90	38.62	53.90	16.03	19.06	4.54	54.76	100.82	0.27	287.42	795.32
Additions	-	4.90	3.76	4.59	2.27	0.85	-	-	-	117.25	133.62
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	31.22	31.22
As at March 31, 2024	219.90	43.53	57.66	20.62	21.33	5.39	54.76	100.82	0.27	373.45	897.72
Additions	-	-	-	0.63	0.09	-	-	-	-	-	0.72
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	7.20	7.20
As at July 31, 2024	219.90	43.53	57.66	21.25	21.42	5.39	54.76	100.82	0.27	366.26	891.24
										76.85	
Accumulated Depreciation	Land	Computers & Accessories	Furniture & Fixtures	Telecommunication Equipments	Office Equipments	Air conditioner	Other Building	Office Building	Cycles	Motor Vehicles	Total
Balance as at March 31, 2021	-	26.51	40.70	9.65	14.26	4.13	6.13	19.25	0.01	123.30	243.96
Charge for the year	-	10.28	4.29	1.69	1.76	0.70	0.87	1.56	0.02	25.80	46.98
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	36.80	45.00	11.34	16.02	4.83	7.00	20.81	0.03	149.10	290.94
Charge for the period	-	11.38	4.59	2.72	2.84	0.82	0.87	1.58	0.02	27.13	51.94
Deductions / Adjustments	-	21.98	21.70	8.44	12.17	3.40	-	-	-	5.22	72.91
As at March 31, 2023	-	26.19	27.88	5.62	6.70	2.25	7.87	22.39	0.04	171.02	269.97
Charge for the period	-	9.45	3.89	3.14	3.55	0.86	0.87	1.58	0.02	35.63	58.98
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	29.66	29.66
As at March 31, 2024	-	35.65	31.77	8.77	10.24	3.11	8.73	23.97	0.06	176.98	299.29
Charge for the period	-	1.23	1.17	1.27	1.21	0.31	0.29	0.53	0.01	11.68	17.70
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	6.72	6.72
As at July 31, 2024	-	36.88	32.94	10.04	11.46	3.42	9.02	24.50	0.07	181.94	310.26
Net Block	Land	Computers & Accessories	Furniture & Fixtures	Telecommunication Equipments	Office Equipments	Air conditioner	Other Building	Office Building	Cycles	Motor Vehicles	Total
As at March 31, 2022	219.90	20.38	30.60	10.15	8.75	3.11	47.76	80.01	0.24	82.87	503.77
As at March 31, 2023	219.90	12.43	26.01	10.40	12.37	2.29	46.89	78.43	0.22	116.40	525.35
As at March 31, 2024	219.90	7.88	25.88	11.85	11.09	2.28	46.03	76.85	0.21	196.47	598.43
As at July 31, 2024	219.90	6.65	24.72	11.21	9.96	1.97	45.74	76.32	0.20	184.32	580.98

Notes :

i) Title deeds of Immovable Properties not held in name of the Company

Relevant Item in the Balance sheet	Description of the Property	Gross Block (Rs. In Lakhs)	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipments	Land - Plot No. BG-113, Sanjay Gandhi Transport Nagar, G.T. Karnal Road, Samaypur Badli, Delhi	219.90		No	17-Sep-21	The possession and original agreement to sell of the property is in the name of the Company. The Company is in process to get the title deed registered with appropriate authority.

ii) Charge has been created against the aforesaid assets for the borrowings taken by the Company. (Refer note 5 and 7)

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)
CIN: U51395DL2003PLC121932

Notes forming part of Audited financial statements

12. Deferred Tax Assets (Net)	(Rs. in Lakhs)			
	As At July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets :				
Provision for gratuity	66.47	66.47	57.89	50.99
Provision for doubtful debts	-	6.92	2.98	2.24
Deferred Tax Liabilities :				
Timing difference on depreciation as per Co. Act and Income Tax Act	14.33	14.34	15.45	17.24
Deferred Tax Assets (Net)	52.14	59.06	45.42	35.99

13. Other Non current assets (Unsecured, considered good unless otherwise stated)	(Rs. in Lakhs)			
	As At July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security Deposits	8.42	-	-	12.80
Total	8.42	-	-	12.80

14. Inventories (At lower of cost or net realisable value)	(Rs. in Lakhs)			
	As At July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Traded Goods	2,241.88	2402.57	2005.88	1902.31
Total	2,241.88	2,402.57	2,005.88	1,902.31

Inventories have been pledged as security for borrowings, refer note 5 and note 7 for details.

15. Trade Receivables	(Rs. in Lakhs)			
	As At July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	2,583.17	1,554.00	1,721.12	1,318.38
Unsecured, considered doubtful	-	59.28	59.28	59.28
Less : Allowances for doubtful debtors	-	(27.50)	(11.86)	(8.89)
Total	2,583.17	1,585.78	1,768.55	1,368.78

Trade Receivables Ageing Schedule as on 31st July 2024

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade Receivables - considered good	1,865.37	600.02	0.81	57.69	-
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	2.90	13.96	42.42

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Trade Receivables Ageing Schedule as on 31st March 2024

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	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	1,230.75	290.27	26.13	1.52	5.31	1,554.00
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	2.90	13.96	42.42	59.28

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Trade Receivables Ageing Schedule as on 31st March 2023

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	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	1,379.77	317.75	5.01	18.59	-	1,721.12
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	13.70	45.58	-	59.28

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Trade Receivables Ageing Schedule as on 31st March 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	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	1,292.41	4.12	21.86	-	-	1,318.38
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	13.70	45.58	-	-	59.28

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(Rs. in Lakhs)

16. Cash and Cash equivalents	As At	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Cash in hand	4.22	4.97	1.43	5.09
Forex	12.80	0.97	1.05	0.97
Balance with banks in current accounts	35.12	206.63	28.52	285.36
Other Bank balances				
Fixed deposits with banks*	137.98	169.66	135.10	155.96
Total	190.12	382.23	166.09	447.38

* Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank.

(Rs. in Lakhs)

17. Short-term loans and advances (Unsecured, considered good unless otherwise stated)	As At	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Advance to Suppliers	1,127.62	915.24	756.63	509.20
Staff Advances	9.80	8.79	12.31	9.37
Duty Under Protest	373.31	373.31	373.31	200.00
Income Tax asset (net of provision)	337.51	0.00	4.86	0.00
Balance with government authorities	4.55	0.00	18.16	17.31
Prepaid expenses	1.09	53.10	6.47	7.46
Other Advances		0.09	0.09	0.04
Total	1,853.88	1,350.53	1,171.83	743.39

(Rs. in Lakhs)

18. Other current assets (Unsecured, considered good unless otherwise stated)	As At	As at	As at	As at
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
DEPB Licence	0.09	15.60	0.72	2.45
Security Deposits		0	1.44	1.44
Interest Receivable - On FDR		4.63	0	0
Amount recoverable from agencies		4.55	4.5	0
Total	0.09	24.78	6.71	3.89

19. Revenue from operations	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products	6,093.48	19,711.70	15,326.80	14,201.24
Less: Interbranch Sale	615.00	(2,101.11)	(1,842.65)	(1,410.38)
Total	6,708.48	17,610.59	13,484.15	12,790.86

(Rs. in Lakhs)

20. Other Income	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	0.89	6.78	5.10	7.63
DEPB Income	1.04	8.05	57.72	19.96
Foreign Exchange Fluctuation Profit (Net)	31.01	-	-	4.02
Profit on Exchange of vehicle	1.48	93.59	-	0.42
Total	34.43	108.42	62.82	32.02

(Rs. in Lakhs)

21. Purchase of stock in trade	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases	3,712.18	13,524.80	10,652.64	9,808.80
Less: Interstate Purchases	615.00	(2,101.11)	(1,842.65)	(1,410.38)
Total	4,327.18	11,423.69	8,809.99	8,398.43

(Rs. in Lakhs)

22. Change in Inventories of stock-in-trade	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock at the end of the period:				
Traded Stock	2,241.88	2,402.57	2,005.88	1,902.31
Less : Stock at the beginning of the period:				
Traded Goods	2,402.57	2,005.88	1,902.31	1,854.47
Total (increase)/decrease	160.69	(396.69)	(103.57)	(47.84)

(Rs. in Lakhs)

23. Employee benefits expense	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries,wages and bonus	221.87	665.63	588.29	510.82
Gratuity Expenses	3.61	36.30	27.42	25.18
Director's remuneration	89.71	254.89	191.10	160.20
ESIC Expenses	1.00	3.06	2.75	3.02
Contribution to Provident and Other Funds	9.38	27.85	26.14	23.85
Staff welfare expenses	30.64	52.81	16.80	11.97
Incentive	1.18	14.39	7.50	1.73
Total	357.41	1,054.94	859.99	736.78

(Rs. in Lakhs)

24. Finance costs	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses on Borrowings	54.42	234.00	182.21	165.11
Interest Expenses - Others	1.96	8.22	0.84	2.68
Bank Charges	4.61	14.79	14.64	16.52
Total	61.00	257.00	197.69	184.30

(Rs. in Lakhs)

25. Other expenses	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
CHA Charges	35.50	100.70	86.49	105.39
Job Work Charges		0.74	20.48	94.05
Custom Duty	427.24	1,189.48	1,050.83	831.91
Packing Charges	23.54	107.95	54.59	5.88
Telecommunication Expenses	1.15	7.01	5.19	5.02
Vehicle Running and Maintenance Expenses	2.82	11.55	11.44	6.37
Advertisement & Publicity Expenses	275.54	1,112.87	675.87	628.34
Insurance Expenses	2.80	15.20	22.16	17.41
Legal and Professional Charges	71.39	84.69	135.54	113.21
Printing & Stationery Expenses	1.71	5.16	4.62	1.99
Auditors Remuneration		1.00	1.10	1.05
Rent Rates & Taxes	16.91	60.18	43.22	52.79
Miscellaneous Expenses	32.41	8.27	1.74	0.38
Computer Maintenance Expenses	4.56	6.57	4.70	6.50
Conveyance Expenses	2.33	11.86	9.34	5.61
Customer Entertainment Expenses	3.15	23.94	11.88	4.31
Freight & Carriage Expenses	159.36	418.31	367.08	521.49
Commission	29.54	62.76	88.21	53.83
Rebate & Discount	36.40	346.65	91.89	102.76
Festival Celebration Expenses		10.36	10.08	9.67
Donation	0.21	15.46	11.73	7.17
Housekeeping Expenses	0.75	9.31	3.57	2.94
Business Exhibition Expenses	1.86	28.65	49.22	23.66
Marketing & Distribution Expenses	26.24	15.44	17.89	24.18
Postal Expenses	3.15	6.26	4.08	3.31
Office Maintenance	4.80	7.91	8.04	7.29
Repair & Maintenance	2.77	26.24	33.43	31.06
Sales Tax Expenses including interest		0.21	-	2.61
Provision for doubtful debts		18.95	2.96	4.19
Sales Promotion Expenses	1.38	84.75	140.47	91.27
Travelling & Daily Allowances	45.96	162.05	104.82	62.77
Water & Electricity Expenses	1.94	8.33	7.06	8.87
Web Hosting Expenses	0.09	-	-	1.11
GST Tax Interest & Demand		0.71	4.41	16.91
Loss on sale of Property, plant & equipment		0.36	0.02	-
Total	1,215.49	3,970.01	3,084.12	2,855.30

(Rs. in Lakhs)				
26. Earnings per share (EPS)	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) for calculation of Basic/Diluted EPS (Rs. in Lakhs)	444.66	1,006.82	484.36	483.21
Weighted average number of shares in calculating Basic EPS and Diluted EPS	1,54,61,404	21,99,150	21,99,150	21,99,150
Nominal Value of each share (in Rs.)	10	10	10	10
Earning Per Share:				
Basic EPS (in Rs.)	2.88	45.78	22.02	21.97
Diluted EPS (in Rs.)	2.88	45.78	22.02	21.97
(Rs. in Lakhs)				
27. Foreign Currency Exposure	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses In foreign Currency				
- Against Purchase of Goods and Services				
- In USD (Absolute Value)	11214728	11214728	8965387.95	68,11,656
- In INR	9293.70	9293.70	7189.70	5,068
- Against Travelling				
- In USD (Absolute Value)	11,300	11,300	6,000	1,500
- In EUR (Absolute Value)	-	-	2,500	7,500
- In AED (Absolute Value)	10000	10000	-	-
- In INR	19	19	7	3
Earnings In foreign Currency				
- Against miscellaneous receipts				
- In USD (Absolute Value)			556.00	
- In INR			0.43	

28. Related party disclosures

(a) Names of related parties and nature of relationship:

- Key managerial personnel controlling the Company
 - Mr. Amit Kumar Saraff (Managing Director)
 - Mr. Deepak Saraf (Whole-Time Director)
 - Mr. Ankit Saraf (Director)
 - Mr. Ankit chamoli (Director)
 - Mr. Ankush kumar Chokhani (Director)
 - Ms Shalu Saraf(Chief Financial Officer)
 - Ms Soniya Agarwal (Company Secretary)
- Relatives of Key managerial personnel
 - Mrs. Anita Saraf
 - Ms. Megha Saraf
 - Mrs. Kusum Lata Saraf
 - Mrs. Simmi Saraf
 - Mrs. Preeti Saraf
 - Mrs. Tisha Saraf
 - M/s. Amit Saraff HUF
 - Mr. Rohit Saraf
 - M/s Deepak Saraf HUF
 - M/s Vijay Kusum Amit Deepak HUF
 - Mrs. Swati Saraf

	(Rs. in Lakhs)			
(b) Transaction during the period	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration Paid to Directors:				
Amit Kumar Saraff	31	88	64	52
Anita Saraf	14	43	39	33
Deepak Saraf	31	85	55	46
Ankit Saraf	14	42	36	31
Remuneration Paid to Relatives of Directors:				
Shalu Saraf	14	42	39	33
Simmi Saraf	14	42	39	33
Preeti Saraf	14	39	27	23
Tisha Saraf	3	9		
Suresh Bansal	10	30		
Yash Bansal	4	12		
Rent Paid to Directors and Relatives				
Anita Saraf	0.24	0.72	0.72	6
Ankit Saraf	-	-	-	5
Kusum Lata Saraf	0.24	0.72	0.72	1
Loans Received during the period				
Amit Kumar Saraff		-	-	5
M/s. Amit Saraf HUF		-	-	-
M/s Deepak Saraf HUF		-	-	5
Deepak Saraf		-	-	25
Anita Saraf		-	-	-
Rohit Saraf		-	-	5
Ankit Saraf		-	21	6
Suresh Bansal		-	-	13
Suresh Bansal HUF		-	-	4
Preeti Saraf		-	25	-
Savita Bansal		-	-	7
Simmi Saraf	1.22			
Shalu Saraf		-	-	3
Kusum Lata Saraf		-	25.00	-
Yash Bansal		-	-	4
M/s Vijay Kusum Amit Deepak HUF				-
Loans Repaid during the period				
Amit Kumar Saraff		-	-	70
M/s. Amit Saraf HUF		-	-	-
M/s Deepak Saraf HUF		17	-	-
M/s Vijay Kusum Amit Deepak HUF		-	-	-
Deepak Saraf		36	8	-
Ankit Saraf	1.20	30.00	8.80	1
Shalu Saraf	23.90	30.00	9.10	20
Megha Saraf		-	-	4
Kusum Lata Saraf	1.80	7.00	2.00	8
Simmi Saraf	23.90	102.00	14.00	65
Preeti Saraf		29.66	-	-
Rohit Saraf		-	-	13
Anita Saraf		25.17	15.09	6
Swati Saraf				
Divya Bansal		-	1.00	-
(c) Outstanding Loan Balance at the period end				(Rs. in Lakhs)
Particulars	For the period ended July 31, 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Amit Kumar Saraff				-
Anita Saraf		-	24	36
Deepak Saraf		-	34	39
Ankit Saraf	30	31	57	42
Shalu Saraf	90.81	115.00	134.27	133
Megha Saraf		-	-	11
Kusum Lata Saraf	78.34	80.00	80.74	52
Simmi Saraf		23.00	117.12	36
Preeti Saraf		-	28.30	2
Rohit Saraf		-	-	0
Swati Saraf		-	-	31
Suresh Bansal	58.57	59.00	68.16	61
Suresh Bansal HUF	39.70	40.00	36.73	34
Savita Bansal	30.18	30.00	27.92	26
Yash Bansal	6.45	5.97	5.97	6
Divya Bansal	30.29	30.00	28.02	27
Neelam Saria	4.82	5.00	4.46	4
Sarla Devi Choudhary	65.00	65.00	60.13	56
M/s. Amit Saraf HUF		-	-	-
M/s Deepak Saraf HUF	23.62	24.00	37.38	35
M/s Vijay Kusum Amit Deepak HUF		-	-	-

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)
CIN: U51395DL2003PLC121932
N29 Statement of Adjustments to the Restated Financial Statements

(Rs. in Lakhs)

Particulars for the period ended 31st July 2024	As per Audited Financial Statements	As per Restated Financial Statements	Difference	Reconciliation for the difference, if any
Profit after tax	444.66	444.66	-	NA
Earning Per Share (In Rs.)	2.88	2.88	-	NA
Opening Balance of Surplus of P&L Account	2,816.09	2,816.09	-	NA
Current Tax	151.88	151.88	-	NA

Notes to Adjustments:

Note 1 : Audit Qualifications - There are no audit qualifications in auditor's report for the period ended 31st July, 2024.

Note 2 : Material regrouping/ reclassification - No regrouping/ reclassification have been made in the Restated balance sheet, Restated Statement of Profit & loss and Restated Cash flow statement, , in order to bring them in line with Audited financial statements prepared in accordance with Schedule III of the Companies Act, 2013, applicable Accounting Standard principles and the measurement of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

IMS Mercantiles Limited
(Formerly Known as IMS Mercantiles Private Limited)

CIN: U51395DL2003PLC121932

Statement of Adjustments to the Restated Financial Statements

30. Employee Benefit (Gratuity) disclosure as per Accounting Standard-15

The Company has a defined benefit gratuity plan. The company makes provisions of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method (PUCM). However, provision for gratuity for the period ended July 31, 2024 has been made on proportionate basis.

The following table summarizes the components of net benefit expenses recognized in the statement of profit and loss and amount recognized in the balance sheet for gratuity.

Changes in the present value of the defined benefit obligation are as follows : (Rs. in Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the beginning of the period	264.12	230.00	202.59	177.40
Current Service Cost	4.47	21.17	18.73	16.43
Past Service Cost	-	-	-	-
Interest Cost	5.94	15.26	12.69	10.65
Benefits paid	(1.81)	(2.18)	-	-
Net actuarial (Gain) / Loss recognized in the period	(6.81)	(0.13)	(4.01)	(1.90)
Present value of obligation at the end of the period	265.92	264.12	230.00	202.59

Balance Sheet

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end of the period	265.92	264.12	230.00	202.59
Fair value of plan assets at the period end	-	-	-	-
Net Liability recognized in balance sheet	265.92	264.12	230.00	202.59

Statement of Profit & Loss

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current service cost	4.47	21.17	18.73	16.43
Past Service Cost	-	-	-	-
Interest Cost	5.94	15.26	12.69	10.65
Net actuarial (Gain) / Loss recognized in the period	(6.81)	(0.13)	(4.01)	(1.90)
Net expense recognized in Statement of Profit & Loss	3.61	36.30	27.42	25.18

Bifurcation of Present Value of Obligation at the end of the year

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current	40.88	41.64	33.75	25.66
Non-Current	225.03	222.48	196.26	176.93
Net Liability recognized in balance sheet	265.91	264.12	230.00	202.59

The principal assumption used in determining gratuity benefit obligations for the company's plans are shown below:

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Discount Rate	6.82%	6.69%	7.16%	6.69%
Expected rate of return on assets	NA	NA	NA	NA
Rate of increase in compensation	12.00%	12.00%	12.00%	12.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

- 31** The Company has sent letters to vendors to confirm whether they are covered under Micro, small and medium enterprises development act 2006 as well as they have filed requirement memorandum with prescribed authority . Out of the letter sent to the party, based on the confirmation received till the date of finalization of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.
- 32** The Company operates in only one segment, i.e. Trading of Technology driven items such as rechargeable batteries, chargers, photographic accessories and mobile accessories as envisaged by Accounting Standard 17 'Segment Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006. The significant revenue operations of the Company are within India and therefore there is no separate geographical segment which needs to be disclosed.
- 33 Additional regulatory information required by Schedule III of Companies Act, 2013 :**
- (i) Details of Benami property:** No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- (ii) Transaction with Struck Off Companies:** The Company do not have any transaction with companies struck off.
- (iii) Charges with Registrar of Companies:** The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) Details of crypto currency or virtual currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the reporting period.
- (v) Utilisation of borrowed funds and share premium:**
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) Compliance with approved scheme(s) of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on reporting period.
- (vii) Compliance with number of layers of companies:** There are no holding Company or Subsidiary Companies of the Company. Therefore Compliance with number of layers of Companies is not required.
- (viii) Valuation of PPE:** The Company has not revalued its property, plant & equipment during the reporting period.
- (ix) Ageing of CWIP and Intangible Assets under development:** The Company have no CWIP and Intangible assets under development as on 31.07.2024. Hence Ageing schedule is not given.
- (x) Disclosure of returns / Statements submitted by the Company to the bank on quarterly basis in respect of borrowings:** Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

- (xi) **Undisclosed income:** There is no income surrendered or disclosed as income during the reporting periods in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (xii) **Loans & Advances to Promoters, directors, KMPs and related parties :** The Company has not granted Loans or Advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

34 **Contingent Liability and Commitments :** There are no contingent liabilities and commitments outstanding.

35 **Restated Summary of Tax Shelters**

(Rs. in Lakhs)

Particulars	As At 31st July, 2024	As At 31st March, 2024	As At 31st March, 2023	As At 31st March, 2022
Profit Before Tax As Per	603.45	1,351.07	646.81	648.93
Normal Corporate Tax	25.17%	25.17%	25.17%	25.17%
Tax at Notional Rate of	151.89	340.07	162.80	163.34
Adjustments:				
Permanent Differences				
Expenses Disallowed	0.00	17.79	16.16	9.05
Total Permanent	0.00	17.79	16.16	9.05
Timing Differences (C)				
Depreciation as per	-17.70	58.98	51.94	46.98
Depreciation as per	17.41	55.12	44.85	40.81
Total Timing	-0.28	114.10	96.79	87.79
Net Adjustments (D=	-0.28	131.88	112.95	96.85
Taxable Income / (Loss)	151.60	471.95	275.75	260.18

(*) The corresponding Post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished

36 **Capitalization Report As on 31st July, 2024**

(Rs. in Lakhs)

Particulars	Pre-Issue	Post-Issue
Borrowings		
Short-term Debt	694.15	*
Long-Term Debt	1314.32	*
Total Debts	2008.47	*
Shareholders' Funds		
Equity Share Capital	1574.84	*
Reserves & Surplus- Restated	2385.49	*
Total Shareholders' Funds	3960.33	*
Long Term Debts/Shareholders' Funds	0.33	
Total Debts/Shareholders' Funds	0.51	

(*) The corresponding Post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

37 Note 1 to 37 form part of the Restated Balance Sheet as on July 31, 2024 , the Restated Statement of Profit and Loss and Restated Cash Flow Statement for the period ended on that date.

OTHER FINANCIAL INFORMATION

For Details on other financial information please refer to “*Ratios*” under the chapter titled “*Financial Statements as Restated*” beginning on page 161 of this Draft Red Herring Prospectus.

This space has been intentionally left blank

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 25, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated October 17, 2024 which is included in this Draft Red Herring Prospectus under the section titled "**Financial statement as Restated**" beginning on page 161 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 25 and 16 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled "**Presentation of Financial, Industry and Market data**" beginning on page 14 of this Draft Red Herring Prospectus.

BUSINESS OVERVIEW

IMS Mercantiles Limited was founded with a vision to distribute Samsung batteries and color photo films. Since its inception, the company has significantly evolved and is now a leading name in the distribution of photographic accessories, rechargeable batteries, chargers, and smartphone accessories. Our outstanding after-sales service has been pivotal in establishing our strong reputation in the Indian market.

The initial idea for incorporating the company was conceived by late Mr. Suresh Saraf, whose visionary leadership laid the foundation for our business. Our Chairman and Managing Director, Mr. Amit Kumar Saraff and Whole-Time Director, Mr. Deepak Saraf, bring 21 years and 18 years of industry experience, respectively. Their extensive experience has been crucial in shaping the vision and strategic direction of the company. The expertise of our promoters and management team has been pivotal in achieving and maintaining our market position.

Over the past two decades, IMS Mercantiles Limited has established a robust market presence and earned a reputation for reliability and quality. Our current board of directors, including Amit Kumar Saraff, Deepak Saraf, Ankit Saraf, and Shalu Saraf, continues to uphold and advance the company's mission. We remain dedicated to delivering high-quality products and after sale services, ensuring ongoing customer satisfaction and reinforcing our leadership in the market.

After Completion of the importation process, IMS Mercantiles Limited manages the entire spectrum of distribution, marketing, sales promotions, and servicing. Our robust infrastructure includes strategically located warehouses across the country, enabling efficient distribution of our products nationwide.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR ENDED MARCH 31, 2024

As per mutual discussion between the Board of the Company and BRLM, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

Board of Directors of the Company has approved in their meeting held on August 16, 2024, issue of up to 51,72,000 equity shares as Initial Public Offer which consist of up to 38,78,400 equity shares as fresh issue and 12,93,600 equity shares as Offer for sale by a public shareholder which was subsequently approved by members of the company in the extra-ordinary general meeting held on August 16, 2024.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 25 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies.
- Company’s results of operations and financial performance.
- Failure to successfully upgrade our product portfolio, from time to time.
- Our failure to keep pace with rapid changes in technology.
- Market fluctuations and industry dynamics are beyond our control.
- Conflict of interest with our promoter and other related parties.
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices.
- Inflation could trigger an increase in consumer price inflation, which would dampen growth.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.
- Availability of cost- effective sources of capital.
- Ability to expand the customer base and maintain good relationship with the leading customers.
- Ability to keep satisfied strong, experienced management team and qualified work force.
- Increasing competition in the industry
- Our ability to successfully execute our growth strategies.
- General Economic and Market Conditions.
- Changes in the value of the Indian rupees and other currencies.
- Arising any type of pandemic situation.

SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer “Significant Accounting Policies”, under Chapter titled “*Financial Information*” beginning on page 161 respectively of the Draft Red Herring Prospectus.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “*Financial Statement as Restated*” on page 161 of this Draft Red Herring Prospectus, there has been no change in the accounting policies during the fiscal 2024.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors’ report on restated financial statements.

SUMMARY OF THE RESULT OF OPERATIONS

Our Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the consolidated restated financial statements of the company.

(Amount in ₹ lakhs)

Particulars	For the period ended		For the Year ended					
	July 31, 2024	%age*	March 31, 2024	%age*	March 31, 2023	%age*	March 31, 2022	%age*
Revenue								
Revenue from operations	6,708.48	99.49	17,610.59	99.39	13,484.15	99.54	12,790.86	99.75
Other income	34.43	0.51	108.42	0.61	62.82	0.46	32.02	0.25
Total Income	6,742.91	100.00	17,719.00	100.00	13,546.97	100.00	12,822.88	100.00
Expenses								
Purchases of stock in trade	4,327.18	64.17	11,423.69	64.47	8,809.99	65.03	8,398.43	65.50
Changes in inventories of stock in trade	160.69	2.38	(396.69)	-2.24	(103.57)	-0.76	(47.84)	-0.37
Employee benefits expense	357.41	5.30	1,054.94	5.95	859.99	6.35	736.78	5.75
Finance costs	61.00	0.90	257.00	1.45	197.69	1.46	184.30	1.44
Depreciation and amortisation expense	17.70	0.26	58.98	0.33	51.94	0.38	46.98	0.37
Other expenses	1,215.49	18.03	3,970.01	22.41	3,084.12	22.77	2,855.30	22.27
Total Expenses	6,139.46	91.05	16,367.93	92.37	12,900.16	95.23	12,173.95	94.94
Profit before exceptional and extraordinary items and tax	603.45	8.95	1,351.07	7.63	646.81	4.77	648.93	5.06
Exceptional items	-	-	-	-	-	-	-	-
Profit before extraordinary items and tax	603.45	8.95	1,351.07	7.63	646.81	4.77	648.93	5.06
Extraordinary items								
Profit Before Tax	603.45	8.95	1,351.07	7.63	646.81	4.77	648.93	5.06
Tax expense:								
Less : Current Tax Expense	151.88	2.25	(357.89)	-2.02	(176.29)	-1.30	(174.68)	-1.36
Less : Deferred Tax Charge/(Credit)	6.91	0.10	(13.63)	-0.08	(9.44)	-0.07	(8.95)	-0.07
Excess/Short provision relating to previous year					(4.40)	-0.03	-	
Profit for the period	444.66	6.59	1,006.82	5.68	484.36	3.58	483.21	3.77

*(%) column represents percentage of total revenue.

OVERVIEW OF REVENUE AND EXPENSES

Our revenue and expenses are reported in the following manner:

TOTAL REVENUES

- **Revenue of operations:**

Revenue from operations primarily generated from Sale of Products

- **Other Income:**

The Other Income comprises of Interest Income, Duty Entitlement Pass Book Scheme (DEPB) Income, Income from Insurance Claim and Foreign Exchange Fluctuation Profit (Net).

EXPENSES

Our expenses primarily consist of purchase of stock in trade, Change of Inventories stock in Trade, Employee Benefits Expenses, Finance Cost, Depreciation and Amortisation, Other Expenses.

- **Purchase of Stock in Trade**

It includes purchases of Stock in Trade during the year, Freight Inward, Clearing and Import Charges, Insurance on Purchases and Loading & Unloading Charges.

- **Changes in Inventories of Stock-in-Trade**

It is the difference of Closing Stock and Opening Stock of Stock in trade.

- **Employment Benefit Expenses**

It includes Salary and Wages, Contribution to Provident fund, ESIC and Gratuity fund, Staff Welfare expenses and Incentives.

- **Finance Cost**

Finance Cost consist of Interest on Working Capital Finance, Interest on Term Loans, Interest on Unsecured loans and Other Finance Cost.

- **Depreciation and Amortisation**

It includes Depreciation on Computers & Accessories, Furniture & Fixtures, Telecommunication Equipments, Office Equipment, Air conditioner, Other Building, Office Building, Cycles and Motor Vehicles.

- **Other Expenses**

Other expense mainly comprises of expenses related to Custom Duty, Advertisement & Publicity Expenses, Freight & Carriage Expenses, Rebate & Discount, Travelling & Daily Allowances, Packing Charges, Sales Promotion Expenses, Legal and Professional Charges, Commission and Rent Rates & Taxes etc.

- **Tax Expenses**

Tax expense comprises of Current Tax (including MAT), Deferred Tax, and Excess & short provision for Tax in prior periods.

PERIOD ENDED JULY 31, 2024 COMPARED WITH FISCAL 2024

- **Revenue from Operations** The monthly revenue run rate of ₹ 1685.73 Lakhs for four months Ended July 31, 2024 increased by 14.16% as compared to Monthly run rate of ₹ 1476.58 Lakhs for Fiscal 2024. This is mainly due to increase in sale of all the products lines of the Company. The Company online sales have also increased its share from 40.06% as on March 31, 2024 to 42.02% as on July 31, 2024.
- **Total Expenses** The monthly Total Expense run rate of ₹ 1534.87 Lakhs for four months Ended July 31, 2024 increased by 12.53% as compared to Monthly run rate of ₹ 1363.99 Lakhs for Fiscal 2024. This is mainly due to increase in purchase of stock in trade.
- **Profit After Tax** The monthly Profit After Tax run rate of ₹111.16 Lakhs for four months Ended July 31, 2024 increased by 32.49% as compared to Monthly run rate of ₹ 83.90 Lakhs for Fiscal 2024. This is mainly due to increase in sales of products and services and improvement in the net profit ratio.

FINANCIAL YEAR 2023-24 COMPARED WITH THE FINANCIAL YEAR 2022-23

Total Revenue

Our total revenue increased by 30.80% to ₹ 17,719.20 lakh for the financial year 2023-24 from ₹ 13,546.97 lakh for the financial year 2022-23 due to the factors described below:

- **Revenue from operations**

Our revenue from operations increased by 30.60% to ₹ 17,610.59 lakh for the financial year 2023-24 from ₹13,484.15 lakh for the financial year 2022-23. The increase is due to increase in the online sales, improved focus on the domestic sales and distribution and also added new products such as camera lens, which is a high ticket item, to product portfolio. Furthermore, the Company also added few other's brands like Viltrox, Synco and K & F in the sales portfolio.

- **Other Income**

The other income increased by 72.58% to ₹108.42 Lakhs for the financial Year 2023-24 from ₹ 62.82 lakhs for the financial year 2022-23. The increase was mainly due to profit on fluctuation of foreign exchange rates. The Company heavily rely on imports of its products and due to changes in foreign exchange rates, gain occurred to the Company during the said period.

Total Expenses

Total Expenses increased by 26.88%, to ₹ 16,367.93 lakhs in the financial year ended March 31, 2024, from ₹ 12,900.16 lakhs in the financial year ended March 31, 2023. Our total expenses increased due to the factors described below:

- **Purchases of stock in trade**

The Cost of material purchased expenses in terms of value and percentage increased by ₹ 2,613.89 lakhs and 29.67% respectively from ₹ 8,809.99 lakhs in fiscal 2023 to ₹ 11,423.89 lakhs in Fiscal 2024. The increase is due to increase in purchase of goods in proportion to the increase in sales of the Company.

- **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the Fiscal 2024 were ₹ (396.69) lakhs as compared to ₹ (103.57) lakhs for the Fiscal 2023. The change is due to increase in amount of stock in hands of enhanced product lines.

- **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by 22.62% to ₹ 1,054.94 lakhs in the Fiscal 2024 from ₹ 859.99 lakhs in the Fiscal 2023. Overall employee cost has increased due to increase in number of employees i.e. 144 (as on March 31 2024) from 122 (as on March 31 2023) and annual increment of salaries.

- **Finance Costs**

Finance cost in terms of value and percentage increased by 30.00% to ₹ 257.00 lakhs in the Fiscal 2024 from ₹ 197.69 lakhs in the Fiscal 2023. Overall finance cost has increased due to new loans taken including working capital loan and vehicles loan.

- **Depreciation & Amortization Expenses**

Depreciation in terms of value increased by 13.55% % from ₹ 51.67 lakhs in the Fiscal 2023 to ₹ 58.98 lakhs in the Fiscal 2024. Marginal Increase in depreciation and amortisation is due to increase in fixed assets such as vehicles. Along with the other assets like Computers, Equipments etc., there major buying was Vehicles and accordingly, depreciation expenses were increased.

- **Other Expenses**

Other Expenses in terms of value and percentage increased by 28.72% from ₹ 3,084.12 lakhs in the Fiscal 2023 to ₹ 3,970.01 lakhs in the Fiscal 2024. Other Expenses has increased mainly due to significant increase in advertisement expenses as the company focused more on the brand building and marketing schemes, rebates & discount expenses and due to various sales push approach adopted by the Company. Increase in custom duty charges due to increase in import of the products of the Company and same was also reflected in increase in purchase of the goods.

- **Profit Before Tax**

Profit before tax has increased by 108.88% from ₹ 646.81 lakhs in the Fiscal 2023 to ₹ 1,351.07 Lakhs in the Fiscal 2024. Profit before Tax has increased due to increased income from operations and sales and optimisation of expenses. The Company also improved its Profit before tax Ratio due to the above said reasons.

- **Net Profit After Tax**

Net Profit has increased by 107.87% from ₹ 484.36 lakhs in Fiscal 2023 to profit of ₹ 1,006.82 lakhs in the Fiscal 2024. The increase was in line with the increase in Profit before tax.

FINANCIAL YEAR 2022-23 COMPARED WITH THE FINANCIAL YEAR 2021-22

Total Revenue

Our total revenue increased by 5.65% to ₹ 13,546.97 lakh for the financial year 2022-23 from ₹ 12,822.88 lakh for the financial year 2021-22, the revenue break up is as follows:

- **Revenue from operations**

Our revenue from operations increased by 5.42% to ₹ 13,484.15 for the financial year 2022-23 from ₹ 12,790.86 lakhs for the financial year 2021-22. The increase was mainly due to increase in sale of all the products of the Company through offline distribution channel.

- **Other Income**

The other income increased by 96.17% to ₹ 62.82 lakhs for the financial Year 2022-23 from ₹ 32.02 lakhs for the financial year 2021-22. The increase was mainly due to increase in Duty Entitlement Passbook (DEPB) Scheme (export incentive scheme) income and such DEPB income increased from ₹19.96 lakhs to ₹57.75 lakhs i.e. increase by 189.21%. The Company is not in the export business and has to purchase DEPB credits from the Exporters and any discount on that transaction, comes under DEPB income.

Total Expenses

Total Expenses increased by 5.97%, from ₹ 12,173.95 lakhs in the financial year ended March 31, 2022, to ₹ 12,900.16 lakhs in the financial year ended March 31, 2023. Our total expenses increased due to the factors described below:

- **Purchases of stock in trade**

The Purchases of stock in trade in terms of percentage increased by 4.90% respectively from ₹ 8,398.43 lakhs in Fiscal 2022 to ₹ 8,809.99 lakhs in Fiscal 2023. The reason of increase is due to increase in purchase of goods in line with the increase in the sales of the Company.

- **Changes in Inventories of Stock-in-Trade**

The Changes in inventories of Stock-in-Trade for the Fiscal 2023 were ₹ (103.57) lakhs as compared to ₹ (47.84) lakhs for the Fiscal 2022. The reason of such increase is that Company was having high inventory at the end of financial year since large quantity was imported during the last month of financial year.

- **Employee Benefit Expenses**

Employee Benefit Expenses increased by 16.72% to ₹ 859.99 lakhs in the Fiscal 2023 from ₹ 736.78 lakhs in the Fiscal 2022. Overall employee cost has increased due to increase in number of employees marginally and annual increment of salaries.

- **Finance Costs**

Finance cost increased by 7.27% to ₹ 197.69 lakhs in the Fiscal 2023 from ₹ 184.30 lakhs in the Fiscal 2022. Overall finance cost has marginally increased mainly due to working capital loan, Term Loan and vehicle loan. The total borrowings enhanced by ₹ 222.54 lacs as on March 31, 2024 as compared to as on March 31, 2023.

- **Depreciation & Amortization Expenses**

Depreciation Expenses increased by 10.56% from ₹ 46.98 lakhs in the Fiscal 2022 to ₹ 51.94 lakhs in the Fiscal 2023. Increase in depreciation and amortisation is due to increase of Telecommunication Equipments, office Equipments and Motor Vehicle. Telecommunication Equipments and Office Equipments were added due to upgradation of such equipments. The Company also added vehicles amount to ₹ 60.94 Lakhs during the period.

- **Other Expenses**

Other Expenses increased by 8.01% from ₹ 2,855.30 lakhs in the Fiscal 2022 to ₹ 3,084.12 lakhs in the Fiscal 2023. Other Expenses has increased mainly due to increase in duties, Commission, Packing Charges, Business exhibition marketing and Distribution expenses and such expenses increased since the Company focussed to improve the sales figures or to maintain the market positioning.

- **Profit Before Tax**

Profit before tax has decreased slightly by 0.33% from ₹ 648.93 lakhs in the Fiscal 2022 to ₹ 646.81 lakhs in the Fiscal 2023. Profit before Tax has decreased due to the increase in total expenses (5.97%) is more than the increase in revenue (5.65%).

- **Net Profit After Tax**

Net Profit has increased by 0.24% from ₹ 483.21 lakhs in Fiscal 2022 to profit of ₹ 484.36 lakhs in the Fiscal 2023. The increase was due to adjustment excess tax paid earlier so there is a slight increase although profit before tax has decreased by 0.33%.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, 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 “*Financial Statements as Restated*” beginning on page 161 of this Draft Red Herring Prospectus.

INFORMATION REQUIRED AS PER ITEM (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled Risk Factors beginning on page 25 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in this Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 25 and 163 respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from operations primarily generated from Sales of Products including photographic accessories, rechargeable batteries, chargers, and smartphone accessories

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

Our Company's future costs and revenues can be indirectly impacted by an increase in employees benefit costs as the company require more employee in future.

6. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian/ State Government Policies, foreign exchange rates and interest rates quoted by banks & others.

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

Increases in our revenues are by and large linked to increases in the volume of business.

8. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in photographic accessories, rechargeable batteries, chargers, and smartphone accessories. Relevant industry data, as available, has been included in the chapter titled "**Industry Overview**" beginning on page 94 of this Draft Red Herring Prospectus.

9. Status of any publicly announced new products or business segments

Except as disclosed in the Chapter "Our Business", our Company has not announced any new product or service.

10. The extent to which the business is seasonal

Our business is not seasonal in nature.

11. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. Over a period of time, we have developed certain competitive strengths which have been discussed in section titled "**Our Business**" on page 106 of this Draft Red Herring Prospectus.

This space has been left blank intentionally

FINANCIAL INDEBTEDNESS

To,

The Board of Directors,
IMS Mercantiles Limited
 (formerly known as IMS Mercantiles Private Limited)
 704, 7th Floor, Ring Road Mall,
 Sector-3, Rohini, New Delhi-110085

Dear Sir,

Sub: Certificate for Statement of Financial Indebtedness

Based on the Audited financial statements as prepared by the company, the company's loan agreements and sanction letters approved by banks/ financial institutions and other relevant records, we confirm that the aggregate outstanding borrowings of **IMS Mercantiles Limited** as on July 31, 2024 are ₹ 2,008.47 /- lakhs.

Brief summary of financial indebtedness of our company as on July 31, 2024:

(₹ in Lakhs)

Nature of Borrowing Amount	Amount as on July 31, 2024
Secured Borrowing for Car Loan	115.48
Secured Borrowing for Cash Credit Limit	1,293.72
Unsecured Borrowing from related parties	457.82
Unsecured Borrowing from Others	141.44

Secured Loan

(₹ in Lakhs)

Sr. No	Name of Lender	Nature of Facility	Sanctioned Loan ₹ In Lakhs	Outstanding As On 31st July, 2024	Rate of Interest/ Margin	Repayment Terms	Security/ Principal Terms and Conditions
1	BMW Finance Service Car Loan - BMW10	Car Loan	34.00	1.37	7.99	60 Months	Car
2	BOB - Car Loan – Audi Q5 2022	Car Loan	52.50	36.05	10.21	60 Months	Car
3	Union Bank Car Loan - Audi Q7	Car Loan	74.38	60.92	8.85	60 Months	Car
4	Bank O/D Account	Overdraft	21,400.00	948.82	8.42	1 Year	Properties, Debtors & Stock
5	HDFC Bank Car Loan - Maruti Grand Vitara	Car Loan	13.00	11.73	9.45	36 Months	Car
6	HDFC Bank Ltd - Buyers Credit	Buyers Credit	1000.00	344.33	LIBOR+150 BPS	1 Year	Properties, Debtors & Stock
7	HDFC Car Loan NEXT Baleno	Car Loan	6.00	5.41	9.35	36 Months	Car

Yours faithfully,
For Gupta Jalan & Associates,
Chartered Accountants
Firm Reg No: 003721N
Peer Review Certificate No.: 018060

Sd/-
Ankit Todi
Partner
Membership Number: 520410
UDIN: 24520410BKEGOO2175

Place: Delhi
Date: October 20, 2024

This space has been intentionally left blank

**SECTION X-LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors, Promoters and Subsidiary.

Our Board, in its meeting held on August 16, 2024 determined that outstanding legal proceedings involving the Company, its Directors, Promoter and Subsidiary will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation is equal to or in excess of 10 % of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower), as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them is equal to or in excess of 5% of the Company’s trade payables as per the last audited financial statements on a consolidated basis.

A. LITIGATION INVOLVING THE COMPANY

(a) Criminal proceedings against the Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

(b) Criminal proceedings filed by the Company:

As on the date of this Draft Red Herring Prospectus, following are the criminal proceedings initiated by the Company:

1. Cr. Complaint Number - 6496/2018

M/s IMS Mercantiles Pvt. Ltd. v/s Amit Chawla

Our Company has lodged a complaint under Section 138 of the Negotiable Instruments Act, 1881, against Mr. Amit Chawla, for the dishonor of a cheque amounting to ₹ 3.30 Lakhs. The matter is now scheduled for the physical appearance of the accused on January 08, 2025.

2. C.C. No 11800/2020

M/s IMS Mercantiles Pvt. Ltd. v/s Shree Anand Enterprises

Our Company has filed a legal case against Shree Anand Enterprises for the dishonor of a cheque amounting to ₹ 2.24 Lakhs. The case is now scheduled for the cross-examination of our Authorized Representative on December 20, 2024.

3. C.C. No 4296/2022

M/s IMS Mercantiles Pvt. Ltd. v/s Arpit Amritlal Jain

Our Company has filed a legal case against one, Mr. Arpit Amritlal Jain for dishonour of Cheque of ₹ 5.71 Lakhs. The case is now listed for framing of Notice on the Accused / Party on February 21, 2025.

4. C.C. No. 754 of 2021

M/s IMS Mercantiles Pvt. Ltd. v/s Deepak Kumar Chaudhary

Our Company has filed a legal case against one, Mr. Deepak Kumar Chaudhary for dishonour of Cheque of ₹ 1.85 Lakhs. Cross examination of our Authorized Representative is ongoing and is now further scheduled for March 18, 2025

5. C.C. No. 4185 of 2021

M/s IMS Mercantiles Pvt. Ltd. v/s King Computer Peripherals

Our Company has filed a legal case against King Computer Peripherals for dishonour of Cheque of ₹ 4.81 Lakhs. The case is now listed for Defence Evidence on January 28, 2025.

6. C.C. No. 23454/2019

M/s IMS Mercantiles Pvt. Ltd. v/s Kuldeep Singh

Our Company has filed a legal case against Mr. Kuldeep Singh for the dishonor of a cheque amounting to ₹ 9.21 Lakhs. The case is currently at the stage of serving summons on the accused. The next court date is scheduled for February 24, 2025.

7. C.C. No. 468 of 2022

M/s IMS Mercantiles Pvt. Ltd. v/s M/s Techtronix

Our company has initiated legal proceedings against M/s Techtronix for the dishonor of a cheque amounting to ₹ 2.90 Lakhs. The case is scheduled for the next hearing on January 08, 2025; at which time we are required to submit a verified address for the accused to facilitate the issuance of summons.

8. C.C. No. 19257 of 2019

M/s IMS Mercantiles Pvt. Ltd. v/s Prakash Gamba

Our Company has lodged a complaint under Section 138 of the Negotiable Instruments Act, 1881, against Mr. Prakash Gamba, for the dishonor of a cheque amounting to ₹ 13.97 Lakhs. The matter is now scheduled for complaint evidence of the accused on January 28, 2025.

(c) Civil proceedings against the Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated against the Company.

(d) Civil proceedings by the Company

As on the date of this Draft Red Herring Prospectus, following are the civil proceedings initiated by the Company:

1. I.A. (I.B.C)/ 2438 (CH) 2023 in Mc Raygor Mechanicals P. Ltd. (Overseas Infrastructure Alliance [India] Ltd. VS Mcraygor Mechanicals Pvt. Ltd. C.P.(IB)-20/2020 before NCLT Chandigarh

Our Company filed a winding-up petition against McRaygor Mechanicals P. Ltd. before the Hon'ble Punjab & Haryana High Court at Chandigarh, identified as CP No.179 of 2013 (O&M) titled "IMS Mercantiles Private Limited Vs. McRaygor Mechanicals Private Limited" This petition was subsequently transferred to the National Company Law Tribunal (NCLT), Chandigarh, pursuant to an Order dated May 27, 2022.

The said winding-up petition was re-registered as RT - CP No.71L/Chd/Hry/2022 by the NCLT, Chandigarh, but was dismissed on 31.08.2023 due to the Corporate Insolvency Resolution Process (CIRP) that had already been initiated against McRaygor Mechanicals P. Ltd. on 08.02.2023 in CP (IB) No.20/CHD/HRY/2020 titled "Overseas Infrastructure Alliance (India) Pvt. Ltd. Vs. McRaygor Mechanicals Pvt. Ltd." Subsequently, our Company filed a claim with the Resolution Professional, which was rejected due to delayed submission. We have now filed an application, IA(I.B.C)/2438(CH)2023 in CP (IB) No.20/CHD/HRY/2020 seeking condonation of delay in filing the claim and requesting that our claim, for a sum of ₹ 27.67 Lakhs be entertained by the Resolution Professional. This application is currently pending and is scheduled for hearing on January 13, 2025.

2. APP 196 OF 2022

M/s IMS Mercantiles Pvt. Ltd. v/s Mc Raygor Mechanicals

Our Company has filed an Application which is pending for restoration. That the erstwhile Execution Petition 15 of 2019 was dismissed on September 02, 2022 due to certain inadvertence and negligence of the Counsels. That the Application petition, is now fixed for hearing on February 15, 2025, for recovery of a sum of ₹ 27.67 Lakhs.

3. W.P. (C) 7716/2021

M/s IMS Mercantiles Pvt. Ltd. v/s State Bank of India & North Delhi Municipal Corporation (NDMC)

Our Company had purchased a property at Sanjay Gandhi Transport Nagar through an auction conducted by SBI. However, certain charges, specifically unearned increase, must be settled with NDMC before the property can be mutated in our name and building plans can be sanctioned. Since these charges were not disclosed in the auction notice, they are considered the responsibility of SBI.

Consequently, we have filed a case against both SBI and NDMC. The case is now scheduled for arguments before the Hon'ble High Court of Delhi on March 11, 2025.

(e) Actions by statutory and regulatory authorities against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities initiated against the Company.

(f) Tax Proceedings

Set out herein below are details of claims relating to direct and indirect taxes involving our Company:

(₹ in Lakhs)

Nature of the Case	Number of Cases	Amount involved*
Direct Tax	3	306.55
Indirect Tax	6	536.08

Direct Tax

(₹ in Lakhs)

Sr. No.	Assessment Year	Demand Amount	Category	Litigation Status
1	2022-23	113.31	Direct Tax	Appeal filed on 08.04.2024. Hearing yet to be notified. Stay petitions filed for penalty and demand.
2	2016-17	76.04	Direct Tax	Appeal filed on 03.06.2023. Hearing yet to be notified. Stay petitions filed for penalty and demand.
3	2015-16	117.19	Direct Tax	Appeal filed on 03.06.2023. Hearing yet to be notified. Stay petitions filed for penalty and demand.

Indirect Tax

(₹ in Lakhs)

Sr. No.	Name	Show Case Notice No.	Category	Litigation Status
1	Jawahar Lal Nehru Custom House, NHAVA SHEVA, Distt Raigad, Maharashtra	685/2023-24/Commr/Gr. VA/CAC/JNCH	Envie & Digitek Batteries.	Show Cause Notice Issued Under Section 28(4) of the Customs Act, 1962. Short Levy of Customs Duty by way of Clearance of Goods Covered Under CTH 8507 at Lower rate of IGST. The Demand of show Cause Notice is ₹ 117.07. Reply by the Company has been filed.
2	Jawahar Lal Nehru Custom House,	971/2024-25/ADC/Gr.	Power Bank Parts	Show Cause Notice Issued Under Section 28(4) of the Customs Act, 1962. Short Levy of Customs Duty by way of Clearance of Goods Covered Under CTH 8507 at

	NHAVA SHEVA, Distt Raigad, Maharashtra	VA/CAC/JNCH Dated 28/08/2024		Lower rate of IGST. The Demand of show Cause Notice is ₹ 11.95. A Reply dated October 09, 2024 has been filed by the Company.
3	Jawahar Lal Nehru Custom House, NHAVA SHEVA, Distt Raigad, Maharashtra	1747/2022-23/GRP-VA/CAC/JNCH Dated 06/01/2023	Smart Watch	Show Cause Notice Issued Under Section 28(4) of the Customs Act, 1962. Short Levy of Customs Duty by way of Clearance of Goods Covered Under CTH 8507 at Lower rate of IGST. The Demand of show Cause Notice is ₹13.48. Reply by the Company has been filed.
4	Jawahar Lal Nehru Custom House, NHAVA SHEVA, Distt Raigad, Maharashtra	1511/2023-24/ADC/Gr. VA/CAC/JNCH Dated 03/10/2023	Speaker	Show Cause Notice Issued Under Section 28(4) of the Customs Act, 1962. Short Levy of Customs Duty by way of Clearance of Goods Covered Under CTH 8507 at Lower rate of IGST. The Demand of show Cause Notice is ₹ 12.17. Reply by the Company has been filed.
5	Jawahar Lal Nehru Custom House, NHAVA SHEVA, Distt Raigad, Maharashtra	1604/2023-24/ADC/Gr. VA/CAC/JNCH Dated 11/10/2023	Ear phone	Show Cause Notice Issued Under Section 28(4) of the Customs Act, 1962. Short Levy of Customs Duty by way of Clearance of Goods Covered Under CTH 8507 at Lower rate of IGST. The Demand of show Cause Notice is ₹ 8.10. Reply by the Company has been filed.
6	Jawahar Lal Nehru Custom House, NHAVA SHEVA, Distt Raigad, Maharashtra	2623/2023-24/Commr./NS-V/CAC/JNCH Dated 13.02.2024	LED Lights	Show Cause Notice Issued Under Section 28(4) of the Customs Act, 1962. Short Levy of Customs Duty by way of Clearance of Goods Covered Under CTH 8507 at Lower rate of IGST. The Demand of show Cause Notice is ₹ 373.31. Reply by the Company has been filed.

(g) Other pending material litigations against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

(h) Other pending material litigations filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.

B. LITIGATIONS INVOLVING THE PROMOTERS OF THE COMPANY

(i) Criminal proceedings against the Promoters of the company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters of the Company.

(ii) Criminal proceedings filed by the Promoters of the company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters of the Company.

(iii) Actions by statutory and regulatory authorities against the Promoters of the company:

Except as stated below, as on date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters of the Company:

1. Amit Kumar Saraf:

Mr. Amit Kumar Saraff has filed an Appeal bearing no. FPA-PMLA No, 5915 of 2023 before the Hon'ble Appellate Tribunal, New Delhi under Prevention of Money Laundering Act, 2002 ("PML Act") challenging the order dated March 14, 2023, passed by the Ld. Adjudicating Authority in O.A No. 743 of 2022 for the attachment of the properties of Mr. Amit Kumar Saraff worth ₹. 11.00 Lakhs/- (approximately) (Rupees Eleven Lakh Only). Mr. Amit Kumar Saraff has pleaded that the Adjudication proceedings emanates from and is a result of actions allegedly undertaken by Mr. Saraff's estranged relative who has no financial or corporate dealings with either Mr. Saraff or the Company. The matter is still pending before the Appellate Authority and the next date of hearing for the same is February 10, 2025.

2. Ankit Saraf:

A Show Cause Notice under Section 8 of the Prevention of Money Laundering Act, 2002 ("PML Act") has been issued against Mr. Ankit Saraf in the Original Complaint No. 2426 of 2024. The said Complaint is filed by the Directorate of Enforcement under Section 5 of PML Act for attachment of property with the total provisional valuation of ₹ 143.76 Lakhs (Rupees One Crore Forty-Three Lakhs Seventy Five Thousand Eight Hundred and Seven Only). Wherein the said authority has attached the immovable property of Mr. Ankit Saraf jointly owned by Mrs. Anita Saraf (mother of Mr. Ankit Saraf), to the approximate extent of ₹ 20.00 Lakhs (Rupees Twenty Lakhs Only) out of total valuation of the immovable property of ₹ 2.25 Crore.

Mr. Ankit Saraf hereby alleges that he has only been identified in the Adjudication notice as a consequence of jointly owning the property in question and has otherwise not been identified in any other capacity in the matter.

The pleadings with respect to the same are pending and the next date of hearing is January 30, 2025.

(iv) Tax Proceedings:

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against the Promoters of the Company.

(v) Other pending material litigations against the Promoters of the company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Promoters, which have been considered material by the Company in accordance with the Materiality Policy.

(vi) Other pending material litigations filed by the Promoters of the company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations filed by the Promoters, which have been considered material by the Company in accordance with the Material Policy.

(vii) Legal action by the Government of India or any Statutory Authority involving our Promoters in last five years

There is no legal action or disciplinary action pending or taken by Ministry, Department of the Government or Statutory Authority, including but not limited to SEBI , Stock Exchanges etc. during the last five years preceding the date of this DRHP against our Promoters.

C. LITIGATIONS INVOLVING THE DIRECTORS OF THE COMPANY

(a) Criminal proceedings against the Directors of the company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors of the Company.

(b) Criminal proceedings filed by the Directors of the company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Directors of the Company.

(c) Actions by statutory and regulatory authorities against the Directors of the company

Except as stated below, as on date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters of the Company:

1. Amit Kumar Saraff:

Mr. Amit Kumar Saraff has filed an Appeal bearing no. FPA-PMLA No, 5915 of 2023 before the Hon'ble Appellate Tribunal, New Delhi under Prevention of Money Laundering Act, 2002 ("PML Act") challenging the order dated March 14, 2023, passed by the Ld. Adjudicating Authority in O.A No. 743 of 2022 for the attachment of the properties of Mr. Amit Kumar Saraff worth ₹. 11.00 Lakhs/- (approximately) (Rupees Eleven Lakh Only). Mr. Amit Kumar Saraff has pleaded that the Adjudication proceedings emanates from and is a result of actions allegedly undertaken by Mr. Saraff's estranged relative who has no financial or corporate dealings with either Mr. Saraff or the Company. The matter is still pending before the Appellate Authority and the next date of hearing for the same is February 10, 2025.

2. Ankit Saraf:

A Show Cause Notice under Section 8 of the Prevention of Money Laundering Act, 2002 ("PML Act") has been issued against Mr. Ankit Saraf in the Original Complaint No. 2426 of 2024. The said Complaint is filed by the Directorate of Enforcement under Section 5 of PML Act for attachment of property with the total provisional valuation of ₹ 143.76 Lakhs (Rupees One Crore Forty-Three Lakhs Seventy Five Thousand Eight Hundred and Seven Only). Wherein the said authority has attached the immovable property of Mr. Ankit Saraf jointly owned by Mrs. Anita Saraf (mother of Mr. Ankit Saraf), to the approximate extent of ₹ 20.00 Lakhs (Rupees Twenty Lakhs Only) out of total valuation of the immovable property of ₹ 2.25 Crore.

Mr. Ankit Saraf hereby alleges that he has only been identified in the Adjudication notice as a consequence of jointly owning the property in question and has otherwise not been identified in any other capacity in the matter.

The pleadings with respect to the same are pending and the next date of hearing is January 30, 2025.

3. Tax Proceedings:

As on the date of this Draft Red Herring Prospectus, there are no outstanding Tax Proceedings litigation against the Directors of the Company.

4. Other pending material litigations against the Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

5. Other pending material litigations filed by the Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations filed by the Directors, which have been considered material by the Company in accordance with the Material Policy.

D. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY

Not Applicable (N/A)

E. LITIGATIONS INVOLVING THE SUBSIDIARY COMPANY

Not Applicable (N/A)

F. AMOUNTS OWED TO SMALL SCALE UNDERTAKING AND OTHER CREDITORS

The Board of Directors of our Company considers dues exceeding 5% of our Company's total consolidated trade payables as per Restated Financial Statements, to small scale undertakings and other creditors as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the Resolution passed on August 16, 2024.

The trade payables for the year ended July 31, 2024 were ₹ 20.33 (₹ in Lakhs).

As on July 31, 2024, there are 5 creditors to each of whom our Company owes amounts exceeding 5% of our Company's total consolidated trade payables and the aggregate outstanding dues to them being approximately ₹ 18.29. (₹ In Lakhs). Based on these criteria, details of outstanding dues owed as on July 31, 2024 by our Company are set out below:

(₹ in Lakhs)		
Particulars	No. of Creditors	Amount
Dues to material creditors	5	18.29
Dues to micro small and medium enterprises	3	0.43
Dues to other creditors	7	1.61
Total outstanding dues	15	20.33

* As defined under Micro, Small and Medium Enterprises Development Act, 2006

Including provisions and unbilled dues.

- As certified by the Statutory Auditor through their Certificate dated October 20, 2024.

The details pertaining to amounts due towards material creditors are available on the website of our Company.

As on July 31, 2024, our Company owes amounts aggregating to ₹ 20.33 Lakhs approximately towards 15 trade creditors.

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 163 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

This space has been intentionally left blank

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/ certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies required for its present business.

I. Approvals for the Issue:

The following approvals have been obtained or will be obtained in connection with the Issue

Corporate Approvals:

- a) The Board of Directors has, pursuant to a resolution dated August 16, 2024 under Section 62(1)(c) of the Companies Act, 2013 passed at its meeting authorized the Issue, subject to the approval of the shareholders of the Company and approvals by such other authorities, as may be necessary.
- b) The shareholders of the Company have, pursuant to a resolution passed in Extra Ordinary General Meeting held on August 16, 2024 authorized the Issue under Section 62(1)(c) of the Companies Act, 2013.

Approval from the Stock Exchange:

- a) We have received in-principle approval from NSE Limited for the listing of our Equity Shares on NSE EMERGE Platform pursuant to letter dated [●]

Agreements with NSDL and CDSL:

- a) The Company has entered into a Tripartite Agreement dated June 21, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Share India Capital Services Private Limited for the dematerialization of its shares.
- b) Similarly, the Company has also entered into a Tripartite Agreement dated May 21, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Share India Capital Services Private for the dematerialization of its shares.
- c) The Company's International Securities Identification Number (“ISIN”) is INE0WOY01015.

II. Incorporation related Approvals:

Sr. No.	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U51395DL2003PTC121932	Companies Act, 1956	ROC, N.C.T. of Delhi and Haryana	August 26, 2003	Valid till cancelled
2.	Fresh Certificate of Incorporation Consequent upon Conversion from	U51395DL2003PLC121932	Companies Act, 2013	ROC, Central Processing Centre	August 05, 2024	Valid till cancelled

	Private Company to Public Company				
--	-----------------------------------	--	--	--	--

III. Tax Related Approvals:

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number	AABCI1382D	Commissioner of Income Tax	26.08.2003	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	DELI03975G	Income Tax Department	27.08.2024	Valid till Cancelled
3.	GST Registration Certificate	07AABCI1382D1ZY	Government of India (Delhi)	17.01.2024	Valid till Cancelled
4.	GST Registration Certificate	19AABCI1382D1ZT	Government of India (Kolkata, West Bengal)	31.05.2023	Valid till Cancelled
5.	GST Registration Certificate	27AABCI1382D2ZV	Government of India (Mumbai, Maharashtra)	24.05.2023	Valid till Cancelled
6.	Sales Tax	LC/064/07890269206/1203	Sales Tax Department (Delhi)	06.01.2004	Valid till Cancelled
7.	Value Added Tax	19341588056	Sales Tax Department (Kolkata, West Bengal)	19.05.2008	Valid till Cancelled
8.	Sales Tax	27060388594C	Sales Tax Department (Mumbai)	03.03.2012	Valid till Cancelled
9.	Maharashtra Value Added Tax	27060388594V	Department of Goods & Service Tax	03.03.2012	Valid till Cancelled

IV. Business Approvals

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Importer-Exporter Code	0503046116	Ministry of Commerce and Industry	14.10.2003	Valid till Cancelled
2.	MSME License (Medium Enterprise)	UDYAM-DL-06-0007920	Ministry of Micro, Small and Medium Enterprises	08.12.2020	Valid till Cancelled
3.	EPR Registration Certificate of Producer	B-29016(3209)/(EPR)/23/WM-III	Central Pollution Control Board	23.08.2023	22.08.2028
4.	Legal Metrology Certificate	GOI/DL/2023/7317	Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs- Weight and Measures Unit)	29.11.2023	Valid till Cancelled
5.	Legal Entity Identifier (LEI) Certificate	984500E1EHIV7C9MFC26	LEI Register India	20.01.2022	20.01.2025
6.	Registration Certificate of Establishment	2024164032	Department of Labour, Government of National Capital Territory of Delhi under Delhi Shops & Establishment Act, 1954	21.08.2024	Valid till revoked

BUREAU OF INDIAN STANDARDS

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Bureau of Indian Standards (For the Product- Power Banks)	R-41276367	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	10.01.2024	09.01.2026
2.	Bureau of Indian Standards (For the Product- Power Adaptors for IT Equipment)- DIGITEK	R-41087661	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	27.04.2020	26.04.2025
3.	Bureau of Indian Standards (For the Product- Power Adaptors for IT Equipment)-ENVIE	R-41087661	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	28.09.2022	26.04.2025
4.	Bureau of Indian Standards (For the Product- Wireless Microphone)- SYNCO	R-41227714	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	23.06.2022	22.06.2026
5.	Bureau of Indian Standards (For the Product- Wireless Microphone)- DIGITEK	R-41229725	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	15.07.2022	14.07.2029
6.	Bureau of Indian Standards (For the Product- Sealed Secondary Cells/Batteries containing alkaline or other non-acid electrolytes for use in portable applications Part 2 Lithium Systems)	R-41211966	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	12.12.2022	06.12.2028
7.	Bureau of Indian Standards (For the Product- Digital Camera)- DIGITEK	R-41248860	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	16.02.2023	15.02.2025

8.	Bureau of Indian Standards (For the Product- Wireless Microphone) -DIGITEK	R-41275611	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	03.01.2024	02.01.2026
9.	Bureau of Indian Standards (For the Product- Power Banks for use in Portable Applications)- DIGITEK	R-41270660	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	20.10.2023	19.10.2025
10.	Bureau of Indian Standards (For the Product- Video Monitors) - VILTROX	R-41259217	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	20.06.2023	19.06.2025
11.	Bureau of Indian Standards (For the Product- Power Adaptors for IT Equipment) - DIGITEK	R-41237000	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	29.09.2024	28.09.2029
12.	Bureau of Indian Standards (For the Product-Fixed General Purpose LED Luminaires)-DIGITEK	R-41228877	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	12.07.2024	11.07.2029
13.	Bureau of Indian Standards (For the Product- Sealed Secondary Portable Li-Ion Battery)-DIGITEK	R-41212148	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	10.12.2023	09.12.2028
14.	Bureau of Indian Standards (For the Product- Sealed Secondary Portable Ni-Cd Cell)-ENVIE	R-41210978	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	01.12.2023	30.11.2028
15.	Bureau of Indian Standards (For the Product- Sealed Secondary Portable Li-Ion Cell)- Digitek	R-41206768	Bureau of Indian Standards, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.	03.11.2023	02.11.2028
16.	Bureau of Indian Standards	R-41092134	Bureau of Indian Standards, Ministry of Consumer	23.06.2023	22.06.2025

			Affairs, Food and Public Distribution, Government of India.		
--	--	--	---	--	--


- **EQUIPMENT TYPE APPROVAL (ETA) Certificate**

Sr. No	Nature of Registration/ License	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	ETA Certificate-Digitek Action Camera- DAC 101	ETA-SD-20221211069	Government of India, Ministry of Communications, Department of Telecommunications	23.12.2022	Valid till Canceled / Amended
2.	ETA Certificate-Smartphone Gimbal DSG 002	ETA-SD-20240504884	Government of India, Ministry of Communications, Department of Telecommunications	30.05.2024	Valid till Canceled/ Amended
3.	ETA Certificate-Smart Watches-DSW 003	ETA-SD-20211108757	Government of India, Ministry of Communications, Department of Telecommunications	25.12.2021	Valid till Canceled / Amended
4.	ETA Certificate-Smart Watches-DSW 004	ETA-SD-20211208988	Government of India, Ministry of Communications, Department of Telecommunications	01.01.2022	Valid till Canceled/ Amended
5.	ETA Certificate-Smart Watches-DSW 005	ETA-SD-20211208987	Government of India, Ministry of Communications, Department of Telecommunications	01.01.2022	Valid till Canceled / Amended
6.	ETA Certificate-Smart Watches-DSW 014	ETA-SD-20211108758	Government of India, Ministry of Communications, Department of Telecommunications	25.12.2021	Valid till Canceled/ Amended
7.	ETA Certificate-Smart Watches-DSW 015	ETA-SD-20211108759	Government of India, Ministry of Communications, Department of Telecommunications	25.12.2021	Valid till Canceled / Amended
8.	ETA Certificate-Smart Watches-DSW 022	ETA-SD-20211208989	Government of India, Ministry of Communications, Department of Telecommunications	01.01.2022	Valid till Canceled/ Amended
9.	ETA Certificate-Microphones-DWM 001	ETA-SD-20220605042	Government of India, Ministry of Communications, Department of Telecommunications	14.06.2022	Valid till Canceled / Amended
10.	ETA Certificate-Microphones-DWM 003	ETA-SD-20220706419	Government of India, Ministry of Communications, Department of Telecommunications	01.10.2022	Valid till Canceled/ Amended
11.	ETA Certificate-Microphones-DWM 004	ETA-SD-20221008454	Government of India, Ministry of Communications, Department of Telecommunications	01.10.2022	Valid till Canceled / Amended
12.	ETA Certificate-Microphones-DWM 005	ETA-SD-20221008455	Government of India, Ministry of Communications, Department of Telecommunications	01.10.2022	Valid till Canceled/ Amended
13.	ETA Certificate-Microphones-DWM 101	ETA-SD-20220403287	Government of India, Ministry of Communications, Department of Telecommunications	14.06.2022	Valid till Canceled / Amended
14.	ETA Certificate-Microphones-DWM 102	ETA-SD-20230302478	Government of India, Ministry of Communications, Department of Telecommunications	25.03.2023	Valid till Canceled/ Amended


15.	ETA Certificate-Microphones-DWM 104	ETA-SD-20230302481	Government of India, Ministry of Communications, Department of Telecommunications	25.03.2023	Valid till Cancelled / Amended
16.	ETA Certificate-Microphones-DWM 105	ETA-SD-20230302482	Government of India, Ministry of Communications, Department of Telecommunications	25.03.2023	Valid till Cancelled/ Amended
17.	ETA Certificate-Wireless Microphones-DWM 106	ETA-SD-20231211378	Government of India, Ministry of Communications, Department of Telecommunications	25.12.2023	Valid till Cancelled / Amended
18.	ETA Certificate-Wireless Microphones-DWM 108	ETA-SD-20240201508	Government of India, Ministry of Communications, Department of Telecommunications	10.02.2024	Valid till Cancelled/ Amended
19.	ETA Certificate-Wireless Microphones-DWM 121	ETA-SD-20240201506	Government of India, Ministry of Communications, Department of Telecommunications	10.02.2024	Valid till Cancelled / Amended
20.	ETA Certificate-Speakers- DBS 210	ETA-SD-20211007813	Government of India, Ministry of Communications, Department of Telecommunications	21.11.2021	Valid till Cancelled/ Amended
21.	ETA Certificate-Speakers- DBS 310	ETA-SD-20211007861	Government of India, Ministry of Communications, Department of Telecommunications	21.11.2021	Valid till Cancelled / Amended
22.	ETA Certificate-Speakers- DBS 410	ETA-SD-20211007862	Government of India, Ministry of Communications, Department of Telecommunications	21.11.2021	Valid till Cancelled/ Amended
23.	ETA Certificate-Microphones-GI (A2)	ETA-SD-20220403213	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2022	Valid till Cancelled / Amended
24.	ETA Certificate-Microphones-GI (A1)	ETA-SD-20220403214	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2022	Valid till Cancelled/ Amended
25.	ETA Certificate-Microphones-G2 (A1)	ETA-SD-20220403216	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2022	Valid till Cancelled / Amended
26.	ETA Certificate-Microphones-P1	ETA-SD-20220403217	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2022	Valid till Cancelled/ Amended
27.	ETA Certificate-Microphones-WMic-TS	ETA-SD-20220403218	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2022	Valid till Cancelled / Amended
28.	ETA Certificate-Microphones-WMic-TS Mini	ETA-SD-20220403219	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2022	Valid till Cancelled/ Amended
29.	ETA Certificate-Microphones-G3	ETA-SD-20220705958	Government of India, Ministry of Communications, Department of Telecommunications	08.07.2022	Valid till Cancelled / Amended
30.	ETA Certificate-Microphones-WMic-T1	ETA-SD-20220705961	Government of India, Ministry of Communications, Department of Telecommunications	08.07.2022	Valid till Cancelled/ Amended
31.	ETA Certificate-Microphones-G1	ETA-SD-20220705962	Government of India, Ministry of Communications, Department of Telecommunications	12.07.2022	Valid till Cancelled / Amended
32.	ETA Certificate-Microphones-P2	ETA-SD-20220705963	Government of India, Ministry of Communications, Department of Telecommunications	08.07.2022	Valid till Cancelled/ Amended

33.	ETA Certificate-DIGITEK Smartphone Gimbal- DSG 005	ETA-SD-20230403519	Government of India, Ministry of Communications, Department of Telecommunications	21.04.2023	Valid till Cancelled / Amended
34.	ETA Certificate-DIGITEK Smartphone Gimbal- DSG 008F PRO	ETA-SD-20230706165	Government of India, Ministry of Communications, Department of Telecommunications	13.07.2023	Valid till Cancelled/ Amended
35.	ETA Certificate-DigiTek 16 Inch Teleprompter-DTP-016	ETA-SD-20240302138	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2024	Valid till Cancelled / Amended
36.	ETA Certificate-DigiTek 10 Inch Teleprompter-DTP-010	ETA-SD-20240403654	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2024	Valid till Cancelled/ Amended
37.	ETA Certificate-DigiTek 08 Inch Teleprompter-DTP-008	ETA-SD-20240403656	Government of India, Ministry of Communications, Department of Telecommunications	22.04.2024	Valid till Cancelled / Amended
38.	ETA Certificate-Digitek Smartphone Gimbal- DSG 001	ETA-SD-20240503961	Government of India, Ministry of Communications, Department of Telecommunications	03.05.2024	Valid till Cancelled/ Amended
39.	ETA Certificate-Vaxis Wireless Video System-Vaxis Atom 500	ETA-SD-20200301908	Government of India, Ministry of Communications, Department of Telecommunications	05.03.2020	Valid till Cancelled / Amended
40.	ETA Certificate-Smartphone Gimbal- DSG 007F	ETA-SD-20230403141	Government of India, Ministry of Communications, Department of Telecommunications	09.04.2023	Valid till Cancelled/ Amended
41.	ETA Certificate-Smartphone-Earphones-DBE-009	ETA-SD-20191005508	Government of India, Ministry of Communications, Department of Telecommunications	16.10.2019	Valid till Cancelled / Amended

V. INTELLECTUAL PROPERTY LAWS

Sr. No.	Mark	Class	Proprietor	Application Number	Date of Application	User Date	Status
1.	DIGICASE	18	IMS Mercantiles Private Limited	2229260	04.11.2011	21.10.2011	Registered
2.	DIGITEK	09	IMS Mercantiles Private Limited	2968408	20.05.2015	01.04.2006	Registered
3.	 (DIGITEK)	09	IMS Mercantiles Private Limited	5472159	02.06.2022	Proposed to be used.	Opposed

4.		09	IMS Mercantiles Private Limited	1871597	09.10.2009	01.04.2006	Opposed
5.	 (DIGITEK PLATINUM)	09	IMS Mercantiles Private Limited	2968410	20.05.2015	01.04.2006	Registered
6.	 (DIGITEK PLATINUM)	09	IMS Mercantiles Private Limited	2969357	21.05.2015	01.04.2006	Registered
7.	ENVIE	09	IMS Mercantiles Private Limited	2396577	14.09.2012	20.05.2007	Registered
8.	ENVIE	09	IMS Mercantiles Private Limited	1700330	18.06.2008	20.05.2007	Registered
9.	 (ENVIE)	09	IMS Mercantiles Private Limited	1871593	09.10.2009	20.05.2007	Registered
10.		09	IMS Mercantiles Private Limited	1871594	09.10.2009	20.05.2007	Objected (Ready for Show Cause Hearing)
11.	 (ENVIE)	09	IMS Mercantiles Private Limited	1871595	09.10.2009	20.05.2007	Registered

12.	 (ENVIE)	09	IMS Mercantiles Private Limited	1871596	09.10.2009	20.05.2007	Registered
13.	FLASHBOT	09	IMS Mercantiles Private Limited	4150833	18.04.2019	Proposed to be used.	Registered
14.	 (GOCAM)	09	IMS Mercantiles Private Limited	5762878	13.01.2023	Proposed to be used.	Registered
15.	 IMS MERCANTILES PVT. LTD.	09	IMS Mercantiles Private Limited	2128484	11.04.2011	26.08.2003	Registered
16.	 IMS MERCANTILES PVT. LTD.	35	IMS Mercantiles Private Limited	2128485	11.04.2011	26.08.2003	Registered
17.	 INFINITE	09	IMS Mercantiles Private Limited	2314596	12.04.2012	20.05.2007	Registered
18.		09	IMS Mercantiles Private Limited	4247539	26.07.2019	Proposed to be used	Opposed
19.	POWER ACE	09	IMS Mercantiles Private Limited	2968409	20.05.2015	01.04.2006	Registered
20.	SOULBAND	09	IMS Mercantiles Private Limited	5217007	21.11.2021	Proposed to be used	Registered
21.	SOULBUD	09	IMS Mercantiles Private Limited	5217008	21.11.2021	Proposed to be used	Registered

22.	DIGITEK	09	IMS Mercantiles Private Limited	6500596	27.06.2024	06.12.2007	Formality Check Pass
-----	---------	----	--	---------	------------	------------	-------------------------

VI. Labour Law Related Certifications

Our Company has received the following significant government and other approvals pertaining to our business:

Sr. No.	Particulars	Nature of Registration/ License	Registration Number	Issuing Authority	Date of Issue / Renewal	Date of Expiry
1.	Provident Fund	PF Code	DLCPM0030170000	Ministry of Labour and Employment	03.04.2015	Valid till cancelled
2.	Employees State Insurance Corporation	ESIC Code Sub	22000707530001001	Regional Office, Employee State Insurance Corporation (Delhi)	01.04.2013	Valid till cancelled
3.	Employees State Insurance Corporation	ESIC Code Sub	41220707530021001	Regional Office, Employee State Insurance Corporation (Kolkata, West Bengal)	09.11.2013	Valid till cancelled
4.	Employees State Insurance Corporation	ESIC Code Sub	52220707530011001	Regional Office, Employee State Insurance Corporation (Hyderabad, Telangana)	26.11.2013	Valid till cancelled
5.	Employees State Insurance Corporation	ESIC Code Sub	15220707530011001	Regional Office, Employee State Insurance Corporation (Jaipur, Rajasthan)	26.11.2013	Valid till cancelled
6.	Employees State Insurance Corporation	ESIC Code Sub	34220707530011001	Sub Regional Office, Employee State Insurance Corporation (Thane)	09.11.2013	Valid till cancelled
7.	Employees State Insurance Corporation	ESIC Code Sub	37220707530011001	Regional Office, Employee State Insurance Corporation (Ahmedabad, Gujarat)	09.11.2013	Valid till cancelled

****Note: All the above licenses, approvals and certificates are availed under 'IMS Mercantiles Private Limited' and are yet to be transferred to 'IMS Mercantiles Limited'**

This space has been intentionally left blank

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board of Directors have vide resolution dated August 16, 2024 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders have authorized the Offer, by passing a Special Resolution at the Extra Ordinary General Meeting held on August 16, 2024 in accordance with the provisions of Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated September 09, 2024.

Offer for Sale

Our Selling Shareholders has confirmed and authorized the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Selling Shareholders	Type	Date of Authorization Letter	Equity Shares held as of the date of the DRHP	Equity Shares offered by way of Offer for Sale	% of the pre-offer paid-up Equity Share capital
Mr. Amit Kumar Saraff	Equity	September 09, 2024	40,02,383	3,36,339	25.41
Mr. Deepak Saraf	Equity	September 09, 2024	40,02,383	3,36,339	25.41
Mr. Ankit Saraf	Equity	September 09, 2024	23,09,041	1,94,040	14.66
Ms. Shalu Saraf	Equity	September 09, 2024	23,09,034	1,94,039	14.66
Ms. Preeti Saraf	Equity	September 09, 2024	6,15,762	51,746	3.91
Ms. Simmi Saraf	Equity	September 09, 2024	6,15,692	51,740	3.91
Ms. Savita Bansal	Equity	September 09, 2024	7,79,135	65,474	4.95
Mr. Suresh Kumar Bansal	Equity	September 09, 2024	7,60,200	63,883	4.83

Our Selling Shareholders, has, confirmed that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 and it has held its 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-principal Approval

Our Company has obtained in-principal approval from the SME Platform of NSE (“NSE Emerge”) for using its name in this Offer Document pursuant to an approval letter dated [●]. NSE is the Designated Stock Exchange.

Prohibition by SEBI, RBI, or other governmental authorities

We confirm that our Company, Promoters, Promoter Group, Directors, and Selling Shareholders have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors, and Selling Shareholders have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors nor persons in control of our Company nor Selling Shareholders are/were associated as the promoter, directors, or persons in control of any other Company which is

debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

Neither our Promoters, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.

Other Confirmations

None of the Directors are associated with any entities which are engaged in securities market-related business and are registered with the SEBI in the past five years.

There has been no action taken by SEBI against any entity with which our Directors are associated as Promoter or Directors. Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI (ICDR) Regulations, 2018.

Prohibition by RBI

Neither our Company, nor our Promoters, nor the relatives (as defined under the Companies Act) of our Promoter, nor the Group Companies/Entities, nor the Promoter Group, nor the Promoter Selling Shareholders or any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers by the RBI or other Governmental Authority and no such proceedings are pending against any of them except as details provided under chapter titled "*Outstanding Litigations and Material Developments*" beginning on 173 of this Prospectus.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter, Promoter Group and Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this Offer.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is not more than 25 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of NSE - NSE Emerge").

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100 % underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "*General Information*" beginning on page 48 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. In accordance with Regulation 272 of the SEBI (ICDR) Regulations, if such money is not repaid within four (4) working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) working days, be liable to repay such application money, with an interest at the rate as of fifteen percent per annum.
3. In terms of Regulation 246 of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy (along with a soft copy) of the Offer Documents along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus.

4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE (“**NSE Emerge**”). For further details of the arrangement of market making please refer to the section titled “**General Information- Details of the Market Making Arrangements for this Issue**” beginning on page 48 of this Draft Red Herring Prospectus.
5. In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, our Company, its promoters, Promoter Group, Directors and Selling Shareholders are not debarred from accessing the capital markets by the Board.
6. In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, the companies with which our promoters or directors are associated as a promoter or director are not debarred from accessing the capital markets by the Board.
7. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
8. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, none of the Issuer’s promoters or directors is a fugitive economic offender.
9. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of NSE (NSE Emerge) which is the Designated Stock Exchange.
10. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
11. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present equity share Capital is fully Paid-up.
12. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in the dematerialized form.

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.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated 21.06.2024 and National Securities Depository Limited dated 21.05.2024 for establishing connectivity.
2. Our Company has a website i.e. <https://www.digitek.net.in/>
3. The Equity Shares of our Company held by our Promoters are in dematerialized form.
4. 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.

NSE Eligibility Norms

Our Company also complies with the eligibility conditions laid by the Emerge Platform of the National Stock Exchange of India Limited for the listing of our Equity Shares. The point-wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder:

1. Our Company was originally incorporated as “**IMS Mercantiles Private Limited**” on August 26, 2003 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Delhi with CIN U51395DL2003PTC121932. Subsequently, pursuant to a Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting, held on May 31, 2024, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “**IMS Mercantiles Private Limited**” to “**IMS Mercantiles Limited**” vide a fresh certificate of incorporation consequent upon conversion from private company to public company dated August 05, 2024 issued by the Registrar of

Companies, Central Processing Centre, bearing CIN U51395DL2003PLC121932.

2. As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 1,574.84 Lakhs and the Post Issue Capital will be of ₹ [●] Lakhs which is less than 25 Crores.
3. The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
4. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 2 financial years out of preceding three financial years and its net-worth should be positive, as given below:

(₹ in Lakhs)

Particulars	For the period ended	For the year ended		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
EBITDA	643.10	1,543.86	818.98	831.68
Net worth	3,960.33	3,223.16	2,216.34	1,731.98

5. The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.

(₹ in Lakhs)

Particulars	For period ended	The Financial Year Ended on		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Cash Flow from Operations	(387.45)	740.37	(252.34)	377.37
Less: Purchase of Fixed Assets	0.25	132.41	73.55	58.71
Add: Net Borrowings	(43.41)	92.23	321.87	(139.99)
Less: Post Tax Interest Exp*	40.10	180.50	137.08	124.93
FCFE	(471.21)	519.69	(141.10)	53.74

*Effective Tax Rate calculated as shown below

Particulars	For period ended	The Financial Year Ended on		
	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Effective Tax rate	26.31%	25.48%	25.12%	25.54%
PAT	444.66	1,006.82	484.36	483.21
PBT	603.45	1,351.07	646.81	648.93

We are, therefore, in compliance with the criteria of having positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application, based on the Restated Financial Statement.

6. The Company has not made application for in-principle approval for listing on any recognised stock exchange in India in the history of our Company and the said application is being made for the first time with National Stock Exchange of India Limited seeking in-principle approval for listing on NSE EMERGE.
7. The Company ensures that the Book Running Lead Manager involved in the IPO have no instances of any of their IPO draft offer document filed with the National Stock Exchange of India Limited being returned in the past 6 months from the date of application.
8. The Company has not been referred to the erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the Company.
9. The Company has not received any winding up petition admitted by a NCLT / Court.
10. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the Company.
11. The company has a functional website: www.digitek.net.in
12. The Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
13. The Company further confirms that the promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither they are the promoters or directors of such companies on which the consequences of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.
14. The Company confirms that there are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by our Company and promoters.
15. The Company confirms that there has not been any change in its name in last 1 year.

16. Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated 21.05.2024 and 21.06.2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
17. The Equity Shares of our Company held by our Promoters and the Selling Shareholders are in dematerialized form;
18. 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;

Each of the Selling Shareholders, severally and not jointly, confirms that the Offered Shares have been held by them in compliance with Regulation 8 of the SEBI ICDR Regulations

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFERDOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•], IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus/ Prospectus in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Sr. No.	Issue Name	Issue Size (Amount in Crore)	Listing Date	Issue Price (₹)	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
Initial Public Offering – Main Board								
N.A.								
Initial Public Offering – SME Issue								

1	Anmol India Limited	10.23	21 February 2019	33	33.6	-1.82% 6.31%	-9.09% 8.95%	-9.70% 3.98%
2	Humming Bird Education Limited	2.15	28 March 2019	132	132	6.82% 0.16%	0.00% -0.70%	0.00% -0.70%
3	Maiden Forgings Ltd	23.84	06 April 2023	63	63	-4.33% 2.04%	30.43% 9.38%	75.08% 9.49%
4	Exhicon Events Media Solutions Limited	21.12	17 April 2023	64	64	129.22% 2.75%	241.64% 10.27%	338.75% 10.64%
5	A G Universal Ltd	8.72	24 April 2023	60	60	-8.33% 3.05%	-22.50% 11.28%	9.83% 10.14%
6	Quicktouch Technologies Limited	9.33	02 May 2023	61	92	110.90% 1.87%	129.67% 8.85%	344.10% 4.96%
7	De Neers Tools Ltd.	22.99	11 May 2023	101	190	74.50% 1.46%	142.57% 7.42%	130.89% 6.06%
8	Krishca Strapping Solutions	17.93	26 May 2023	54	118.8	184.91% 0.90%	439.72% 4.80%	330.28% 7.09%
9	New Swan Multitech Ltd	33.11	18 January 2024	66	125.4	51.29% 1.21%	11.79% 2.47%	47.35% 13.39%
10	Wise Travel India Ltd	94.68	19 February 2024	147	195	19.73 -1.28%	61.19% 1.72%	NA
11	Pune e-Stock Broking Ltd	38.23	15 March 2024	83	130	54.22% 2.20%	106.81% 5.74%	NA
12	AVP Infracon Ltd	52.34	20 March 2024	75	79	-6.33% 1.41%	83.20% 7.87%	NA
13	GEM Enviro Management Ltd	44.93	26 June 2024	75	142.5	254.27% 3.38%	159.40% 7.93%	NA
14	VVIP Infratech Ltd	61.21	30 July 2024	93	176.7	185.48% 0.83%	123.82% -1.78%	NA
15	Envirotech Systems Limited	30.24	September 24, 2024	56	106.4	70.27% -5.94%	NA	NA

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

Summary statement of Disclosure:

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 th calendar day from listing date			Nos. of IPO trading at premium as on 30 th calendar day from listing date			Nos. of IPO trading at discount as on 180 th calendar day from listing date			Nos. of IPO trading at premium as on 180 th calendar day from listing date		
			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%
2024-25	3	136.38	-	-	-	3	-	-	-	-	-	-	-	-
2023-24	10	322.29	-	-	3	6	-	1	-	-	-	8	1	1
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.

- d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS, THE SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGER

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Agreement entered between the Book Running Lead Manager (Share India Capital Services Private Limited), Selling Shareholders and our Company on September 19, 2024 and the Underwriting Agreement dated September 19, 2024 entered into between the Underwriter, Selling Shareholders, our Company and the Market Making Agreement dated September 19, 2024 entered into among the Market Maker and our Company.

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

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Note:

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

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in

shares, and any FII sub-account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and 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 Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF THE NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE Limited (hereinafter referred to as NSE SME). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized 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 Promoter, 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.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations 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 Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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 and legislations in each jurisdiction, including India.

FILING OF OFFER DOCUMENT WITH THE DESIGNATED STOCK EXCHANGE/SEBI/ROC

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed. A copy of the Red Herring Prospectus, along with the material contracts, documents and the Prospectus will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

LISTING

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

NSE will be the Designated Stock Exchange, with which the basis of allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the NSE SME is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within Six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013.

CONSENTS

Consents in writing of Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank*, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC.

Consents in writing of: (a) Selling Shareholders, our Directors, our Promoters, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Banker(s) to the Company, the legal counsel appointed for the Offer, CRISIL, the BRLM, the Registrar to the Offer, our Statutory Auditor, Independent Interior Designer in their respective capacities, have been obtained and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus; (b) the Monitoring Agency; the Syndicate Members, the Banker(s) to the Offer / Escrow Collection Bank(s)/ Refund Bank(s), the Sponsor Bank(s), to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act.

*To be obtained at the RHP stage

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, Gupta Jalan & Associates Chartered Accountants (003721N) Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC,

EXPERTS OPINION

Except for the reports in the section **“Statement of Special Tax Benefits”, “Financial Information of the Company” “Statement of Financial Indebtedness”** on page 91,161 and 171 respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name in this Draft Red Herring Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act 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, 1933.

FEES, BROKERAGE AND SELLING COMMISSION PAYABLE

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

PREVIOUS CAPITAL ISSUE DURING THE LAST THREE YEARS BY LISTED GROUP COMPANIES OF OUR COMPANY

We do not have any listed Group Company.

PERFORMANCE VIS-À-VIS OBJECTS

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of the same does not apply to our Company.

PERFORMANCE VIS- À-VIS OBJECTS: LAST ISSUE OF GROUP COMPANIES, SUBSIDIARIES OR ASSOCIATES

As of the date of this Draft Red Herring Prospectus, our Company does not have a listed subsidiary or any corporate promoter. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Subsidiaries or our Group Companies.

PUBLIC OR RIGHTS ISSUES BY OUR COMPANY DURING THE LAST FIVE YEARS

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

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.

OUTSTANDING CONVERTIBLE INSTRUMENTS

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

OPTION TO SUBSCRIBE

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, Book Running Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY:

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSB’s for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI (ICDR) Regulations.

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES. This would enable investors to lodge and follow up on 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

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on 16.08.2024 For further details, please refer to section titled **"Our Management"** beginning on page 135 of this Draft Prospectus.

Our Company has also appointed Soniya Agarwal vide Board Resolution 22nd July, 2024 as the Company Secretary and Compliance Officer of our Company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

IMS MERCANTILES LIMITED
704, 7TH FLOOR, RING ROAD MALL SECTOR-3, ROHINI
DELHI - 110085
Delhi
Tel. No.:+91-11-47074444
Email: info@digitek.net.in
Website: https://www.digitek.net.in/

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We do not have any listed company under the same management.

TAX IMPLICATIONS

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled *“Statement of Special Tax Benefits”* beginning on page 91 of this Draft Red Herring Prospectus.

PURCHASE OF PROPERTY

Other than as disclosed in Section *“Our Business”* beginning on page 106 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

CAPITALIZATION OF RESERVES OR PROFITS

Save and except as stated in *“Capital Structure”* on page 57 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

REVALUATION OF ASSETS

There has not been any revaluation of assets since incorporation of the Company.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled “*Our Management*” beginning on page 135 and chapter “*Financial Information of the Company*” beginning on page 161 of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

This space has been intentionally left blank

SECTION VIII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to this offer shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the Allotment advice and other documents/ certificates that may be executed in respect of the offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the offer of capital and listing of securities offered from time to time by SEBI, the Government of India, NSE, ROC, RBI, and/or other authorities, as in force on the date of the offer and to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular 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 issue 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 RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs 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 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, 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 issue 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 made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“UPI Streamlining Circular”) has instituted certain mechanisms towards the streamlining of applications made through the UPI Mechanism as well as redressal of investor grievances. The UPI Streamlining Circular came into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of the UPI Streamlining Circular are deemed to form part of this Draft Prospectus. 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 Application forms. Investors may visit the official website of the concerned stock exchange for any information on the operationalization of this facility of form collection by the Registrar to the offer and DPs as and when the same is made available.

THE OFFER

The Offer consists of a Fresh Issue and an Offer for Sale by the Selling Shareholders of our Company. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer*” on page 77 of this Draft Red Herring Prospectus.

RANKING OF EQUITY SHARE

The Equity Shares being Offered/Allotted in the offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association, SEBI ICDR Regulations and shall rank pari- passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this offer will be entitled to dividends, Voting Power, and other corporate benefits, if any, declared by our Company

after the date of allotment in accordance with the Companies Act, 2013 and the Articles of Association of the Company.

AUTHORITY FOR THE OFFER

This offer has been authorized by a resolution of the Board passed at their meeting held on August 16, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the offer by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra-Ordinary General Meeting of the Company held on August 16, 2024.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividends will be as per the provisions of the Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who has been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled “*Dividend Policy*” beginning on page 160 of this Draft Red Herring Prospectus.

FACE VALUE AND OFFER PRICE

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 and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] Delhi edition (being the regional language 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 Stock Exchange for the purpose of uploading the same on their 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, in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of the assessment of market demand for the Equity Shares offered by way of the 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 THE DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDER

Subject to applicable laws, rules, regulations, and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive the dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, and/or consolidation/splitting, see “*Main Provisions of Articles of Association*” on page 246 of this Draft Red Herring Prospectus.

ALLOTMENT ONLY IN DEMATERIALIZED FORM

Under Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the offer before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated June 21, 2024, among CDSL, our Company, and the Registrar to the offer; and
- Tripartite agreement dated May 21, 2024, among NSDL, our Company, and the Registrar to the offer.

As per the provisions of the Depositories Act, 1996 & regulations made there under Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. 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 Limited 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 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.

MINIMUM APPLICATION VALUE, MARKET LOT, AND TRADING LOT

Under Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see “*Offer Procedure*” on page 211 of this Draft Red Herring Prospectus.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in this offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this offer and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of the offer.

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.

JURISDICTION

Exclusive Jurisdiction for the purpose of this offer is with the competent courts/authorities in India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, 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 only outside the United States in offshore transactions in reliance on Regulation under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be 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.

NOMINATION FACILITY TO THE INVESTOR

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

to register himself or herself as the holder of the equity shares; or to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the Applicants are required to change their nomination, they are requested to inform their respective depository participants.

RESTRICTIONS, IF ANY ON THE TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for the lock-in of the pre-offer capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 57 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association there are no restrictions on the transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer to "*Main Provisions of Articles of Association*" on page 246 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their inquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM are not liable to inform the investors of any amendment's modifications or changes in applicable laws or regulations, that may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for does not exceed the applicable limits under laws or regulations.

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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE platform of NSE.

APPLICATION BY ELIGIBLE NRIS, FPIS, OR VCFS REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs, or VCFs registered with SEBI. Such Eligible NRIs, FPIs, or VCFs registered with SEBI will be treated on the same basis as other categories for the purpose of

Allocation.

AS PER THE EXTENT GUIDELINES 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, provide 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.

PRE-OFFER ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-offer advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and the registered office of the company is situated in Delhi, therefore Hindi is the regional language. In the pre-offer advertisement, we shall state the Bid/Offer Opening Date the Bid/ Offer Closing Date, and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations. The above information is given for the benefit of the Bidders. The Bidders are advised to make their own inquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs, or AIFs registered with SEBI will be treated on the same basis as other categories for the purpose of Allocation.

WITHDRAWAL OF THE OFFER

Our Company in consultation with the BRLM, reserves the right to not to proceed with the offer after the offer opening Date but before the 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 BRLM through, the Registrar to the offer, shall notify the SCSBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the offer after the offer Closing Date and thereafter determines that it will proceed with an issue/ offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

PERIOD OF SUBSCRIPTION LIST OF THE PUBLIC OFFER

EVENT	INDICATIVE DATE
Offer Opening Date	[●]^1
Offer Closing Date	[●]^2
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account*	On or about [●]
The credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Note - (1) Our Company in consultation with the BRLM, may consider participation by Anchor Investors. 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.

(2) 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.

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the Book Running Lead Managers. Whilst our Company and the Selling Shareholders 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 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. The Selling Shareholders confirm that they shall extend complete cooperation required by our Company and the BRLM for the completion of the IMS Mercantiles Limited Prospectus necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three working days from the Offer Closing Date, or within such other period as may be prescribed.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the offer Period (except for the Bid/ offer Closing Date). On the Bid/ Offer Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ offer Closing Date may be extended in consultation with the BRLM, RTA, and NSE Emerge taking into account the total number of applications received up to the closure of timings. Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ 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 Red Herring Prospectus is IST. Bidders are cautioned that, in the event, a large number of Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this 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 SEBI ICDR Regulations, QIBs, and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Bidders, in this 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 the 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 revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ 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 website of the BRLM and at the terminals of syndicate members.

MINIMUM SUBSCRIPTION

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the offeror does not receive the subscription of 100% of the offer through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Offer, the offeror shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the offeror fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) days after the offeror becomes liable to repay it the offeror and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen percent. per annum.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the offeror is 100% underwritten. For details of the underwriting arrangement, kindly refer to the chapter titled “*General Information*” on page 48 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of the number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

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.

MIGRATION TO THE MAIN BOARD

Our company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue, etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to NSE for the listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company 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 favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Mainboard from the EMERGE Platform of NSE, amongst others, has to fulfill the following conditions:

Parameter	Migration Policy from NSE Emerge Platform To NSE Main Board
Paid-up Capital & Market Capitalization	Paid-up capital of more than 10 Crores and Market Capitalization should be a minimum ₹ 25 Crores.

	(Market Capitalization will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post- offer number of equity shares.)
Promoter Holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making an application.
Financial Parameters	The applicant company should have positive operating profit (earnings before interest, depreciation, and tax) from operations for at least any 2 out of 3 financial years and have positive Profit after tax (PAT) in the immediately preceding Financial Year of making the migration application to Exchange. The applicant company should have a Net worth of at least ₹ 15 crores for 2 preceding full financial years.
Track Record	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for at least 3 years.
Regulatory action	No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. No Debarment of company, promoters/promoter group, or subsidiary company by SEBI. No Disqualification/Debarment of directors of the company by any regulatory authority. The applicant company has not received any winding-up petition admitted by NCLT.
Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
Other parameters like No. of shareholders, utilization of funds	No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), or Subsidiary Companies. The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to the utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company if any post listing on the SME platform. The applicant company has no pending investor complaints. Cooling off period of 2 months from the date the security has come out of the trade-to-trade category or any other surveillance action.

MARKET MAKING

The shares offered and transferred through this Offer are proposed to be listed on the EMERGE Platform of NSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of 3 (three) years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the EMERGE Platform of NSE. For further details of the market-making arrangement please refer to the chapter titled “**General Information**” beginning on page 48 of this Draft Red Herring Prospectus.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

Under the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

The space is intentionally left blank

OFFER PROCEDURE

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

All Applicants shall review the "General Information Document for Investing in Public Issues" prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars ("General Information Document"), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document will also be available on the websites of the Stock Exchange and the BRLM, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

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 Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 01, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase-I was effective till June 30, 2019.

Subsequently, for applications by Retail 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 an 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 the 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 Retail Individual Investors ("UPI Phase III"), as prescribed by SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, in which certain applicable procedures w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 01, 2022, and October 01, 2021 respectively and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI is provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue, and Share Transfer Agent (RTA) that have been notified by NSE to

act as intermediaries for submitting Application Forms are provided on www.nseindia.com For details on their designated branches for submitting Application Forms, please see the above-mentioned website of NSE.

ASBA Applicants are required to submit ASBA Applications to the selected branches/offices of the RTAs, DPs, and Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided at <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer to the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue, and Share Transfer Agent ("RTA") that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please refer to the above-mentioned NSE website.

Our Company, the Promoter, and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted by applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

BOOK BUILT PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the, allocate up to 60.00% 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 Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spillover from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of the Applicant's depository account along with the Application Form. The Application Forms which do not have the details of the Applicant's depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms that do not have the details of the Applicant's PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim, and officials appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to the allotment.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. www.nseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank accounts specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating the number of specified securities subscribed for in the demat form.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public issues of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to the mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective of reducing 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 a complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

1. **Phase I:** This phase was applicable from January 01, 2019, and lasted till June 30, 2019. Under this phase, a Retail Individual applicant, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediaries 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.
2. **Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 01, 2019, and was to be continued for a period of three months or the launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II was extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries 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.
3. **Phase III:** The commencement period of Phase III is notified pursuant to the SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The Issue will be made under UPI Phase III of the UPI Circulars.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate the collection of requests and/or payment instructions of the Retail Individual Investors into the UPI mechanism.

Pursuant to the UPI Circular, SEBI has set out specific requirements for the redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include the appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of canceled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post-offer BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 05, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to ₹ 5,00,000, shall use UPI. Individual investors bidding under the non-institutional portion bidding for more than ₹ 200,000 and up to ₹ 5,00,000, using the UPI Mechanism, shall provide their UPIID in the Bid-cum-Application Form for Bidding through 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.

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 of compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The Bidding in the Retail Portion can additionally be Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form, will upload the Bid details along with the UPI ID to the bidding platform of the Stock Exchange. Applications made by Retail Individual Investors using third-party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI-linked bank account details to the RTA for reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using the UPI Mechanism may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs, or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders, and Eligible NRIs applying on a non- repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

**Excluding electronic Bid cum Application Form*

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to the allotment.
- The shares of the Company, on the allotment, shall be traded on stock exchanges in demat mode only.
- A single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families

would be treated as on par with applications by individuals.

ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stockbroker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
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 Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of the application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as 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 the stock exchange will be done by:

For applications submitted by Investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSB's	After accepting the Bid Cum Application Form, the 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 the prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with the use of UPI for payment:	After accepting the Bid Cum Application Form, the respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of the stock exchange. The stock exchange shall share application details including the UPI ID with the sponsor bank on a continuous basis, to enable the sponsor bank to initiate mandate requests on investors for blocking of funds. Sponsor bank shall initiate the request for blocking of

	funds through NPCI to investors. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.
--	---

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.

WHO CAN APPLY?

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines, and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs, and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' residents 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 the minor (under guardianship);
- b) 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 or XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, Corporate Bodies, and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, cooperative banks subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the non-institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI;
- k) State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with SEBI;
- m) 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;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with the Insurance Regulatory and Development Authority, India;
- p) Provident Funds with a minimum corpus of ₹ 2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with a minimum corpus of ₹ 2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- r) Multilateral and Bilateral Development Financial Institutions;
- s) 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;

- t) Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- u) Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines, and policies applicable to them.

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 that 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 a case by case basis. OCBs may invest in this Offer provided it obtains 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.

PARTICIPATION BY ASSOCIATES OF BRLM's

The BRLM shall not be entitled to subscribe to this Issue in any manner except toward fulfilling their underwriting obligations. However, associates and affiliates of the BRLM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Draft Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, BRLM to the Issue and The Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE Limited i.e. [https:// www.nseindia.com](https://www.nseindia.com).

OPTION TO SUBSCRIBE TO THE ISSUE

1. As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
2. The Equity Shares, on allotment, shall be traded on the Stock Exchange in the demat segment only.
3. In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In the case of HUF, the application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY MUTUAL FUNDS

For Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity-related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in the case of index funds or sector or industry-specific funds/Schemes. No mutual fund under all its schemes should be more than 10% of any Company's paid-up share capital carrying voting rights.

In the case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered

with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATIONS BY ELIGIBLE NRI

Eligible NRIs may obtain copies of the Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs, and CDPs. 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”) 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 Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Offer.

In the case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000, to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on a repatriation basis. Allotment of Equity shares to non-resident Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI, and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on a non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in color). For details of restrictions on investment by NRIs, please refer to the chapter titled **“Restrictions on Foreign Ownership of Indian Securities”** beginning on page 244 of this Draft Red Herring Prospectus.

APPLICATIONS BY ELIGIBLE FIIs/FPIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations.

An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being

deemed FPIs) shall be included.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI-registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad-based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. Further, pursuant to a Circular dated November 24, 2014, issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Offer.

APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The Category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category IIIAIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications 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 Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through the ASBA Process.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of the certificate of registration issued by the IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the IRDA Investment Regulations), are broadly set forth below:

- Equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer;
- The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- The industry sector in which the investee company belongs to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b), and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines, and circulars issued by IRDAI from time to time.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000.00 million or more but less than ₹ 2,500,000.00 million.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines, and circulars issued by IRDA from time to time.

APPLICATIONS BY BANKING COMPANIES

Applications by Banking Companies: In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

APPLICATIONS BY SCSBS

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012, and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI-registered SCSBs. Further, such account shall be used solely for the purpose of making applications in public issues and clear demarcated funds should be available in such account for such applications.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of the 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 reserves the right to reject any application, without assigning any reason thereof.

BIDS BY ANCHOR INVESTORS

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2 (1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor 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 ₹ 200.00lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In the case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - a. where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - b. where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but up to ₹ 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
 - c. where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:
 - i. a minimum of 5 (five) and a maximum of 15 (fifteen) Anchor Investors for allocation up to ₹ 2500.00 Lakhs; and
 - ii. an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and the website of the stock exchange offering electronically linked transparent bidding facility, for information of the public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 days on fifty percent of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty percent of the shares allotted to the anchor investors 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 the selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
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 on the Issue through the ASBA process.

BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis, and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non- Banking Financial Companies participating in the Offer shall comply with all applicable legislation, regulations, directions, guidelines, and circulars issued by RBI from time to time.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, and provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye-laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to applications by VCFs, FVCIs, FIIs, and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- With respect to applications made by provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves 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, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to Issue that, for the purpose of mailing the Allotment Advice / CANs/letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. 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.

MAXIMUM AND MINIMUM APPLICATION SIZE

a. For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net 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 Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of the Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the non-institutional portion.

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 Applicants. The Company and the BRLM are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the applicable limits under laws or regulations.

INFORMATION FOR THE APPLICANTS:

- a) Our Company will file a copy of the Red Herring Prospectus with the Registrar of Companies, Delhi, at least 3 (three) days before the Issue Opening Date.
- b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the office of the BRLM.
- c) Applicants who are interested in subscribing to the Equity Shares should approach the BRLM or their authorized agent(s) to register their applications.
- d) Applications made in the name of minors and/ or their nominees shall not be accepted.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Bids should be submitted on the prescribed Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application form. Bids not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSBs. ASBA Application Forms, that do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Delhi.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012, has introduced an additional mechanism for investors to submit application forms in public issues using the stockbroker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centres is available on the websites of NSE Limited i.e. www.nseindia.com.

BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that providing bank account details in the space provided in the Bid cum application form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of the name of the Applicants, Depository Participant's name, Depository Participant Identification number, and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders' bank account details, MICR code and occupation (hereinafter referred to as Demographic Details'). Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation Advice. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidders would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

SUBMISSION OF BIDS

- i. During the Bid/ Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- ii. In case of Bidders (excluding NIIs) Bidding at a Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- iii. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the NSE. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
 2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful applicant shall be allotted [●] equity shares; and
 - The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

- If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.
- The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - The balance net offer of shares to the public shall be made available for allotment to
- Individual applicants other than retails individual investors and
- Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

- The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to BRLM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

INFORMATION FOR BIDDERS

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply;
2. Read all the instructions carefully and complete the applicable Application Form;
3. Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
4. All Bidders should submit their Bids through the ASBA process only
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
6. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
7. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
8. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
9. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
10. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
11. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
12. RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account

- linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
13. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
 14. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
 15. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
 16. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
 17. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
 18. 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 Bids, the 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;
 19. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
 20. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
 21. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
 22. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
 23. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. 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;
 24. Ensure that the Demographic Details are updated, true and correct in all respects;
 25. 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;
 26. Ensure that the category and the investor status is indicated;
 27. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
 28. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
 29. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
 30. Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
 31. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
 32. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
 33. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
 34. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA
 35. Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
 36. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
 37. RIBs shall ensure that details of the Bid 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, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
38. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Offer Closing Date;
 39. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
 40. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
 41. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non- Institutional Portion, for the purposes of allocation in the Offer.
 42. 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:

43. Do not apply for lower than the minimum Application size;
44. Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
45. Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
46. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
47. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
48. Do not send Application Forms by post, instead submit the Designated Intermediary only;
49. Do not submit the Application Forms to any non-SCSB bank or our Company;
50. Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
51. Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
52. Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);
53. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
54. Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
55. Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.
56. Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
57. All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
58. Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
59. 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 Bids submitted by RIB Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

OTHER INSTRUCTION FOR BIDDERS

Joint Applications in the case of Individuals

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.

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Under the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of

the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bids submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In the case of QIB Applicants, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In the case of Non- Institutional Applicants and retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUNDINGS OF TECHNICAL REJECTION

In addition to the grounds for rejection of Bids 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. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form is not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock investment, money order, postal order, or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date unless extended by the Stock Exchange.
15. Applications by OCBs;

IMPERSONATION

The 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 –

- Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- Makes or abets making of multiple applications to a company in different names or different combinations of his name or surname for acquiring or subscribing for its securities; or
- Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or any other person in a fictitious name, shall be liable for action under Section 447."

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated September 19, 2024 this issue is 100% Underwritten.

FILING OF THE RED HERRING PROSPECTUS WITH THE ROC

The Company will file a copy of the Red Herring Prospectus with the Registrar of Companies, Delhi, and in terms of Section 26 of the Companies Act, 2013.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of entering the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- We have entered into a tripartite agreement between NSDL, the Company, and the Registrar to the offer on May 21, 2024.
- We have entered into a tripartite agreement between CDSL, the Company, and the Registrar to the offer on June 21, 2024.

The Company's International Securities Identification Number (ISIN) is INE0WOY01015.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL before making the Application.

1. The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
2. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
3. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
4. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
5. The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
6. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
7. The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

TERMS OF PAYMENT

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of a lesser number of Equity Shares, than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Bidders.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with the Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, the Banker to the Issue, and the Registrar to the Issue to facilitate collections from the Applicants.

PAYMENT MECHANISM FOR APPLICANTS

The Bidders shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid or for unsuccessful Bids, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 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, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5,00,000, may use UPI.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock investment instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock investment would not be accepted in this Issue.

PAYMENT INTO ESCROW ACCOUNT(S) FOR ANCHOR INVESTORS

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, under 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 favor of:

- In case of resident Anchor Investors: “[●]”; and
- In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

ISSUANCE OF ALLOTMENT ADVICE

On the Designated date, the SCSBs shall transfer the funds represented by the allocation of equity shares into a public issue account with the banker to the issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. On the basis of the approved basis of allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their respective depository participants to accept the equity shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions the Registrar to the Issue will dispatch allotment advice to the applicants who have been allotted equity shares in the issue. The dispatch of allotment advice shall be deemed a valid, binding, and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to the Public Issue account of the issuer.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into a Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with a refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of the allotment of securities to the Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorized employees of the Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

DISPOSAL OF APPLICATION AND APPLICATION MONIES AND INTEREST IN CASE OF DELAY

The company shall ensure the dispatch of allotment advice, instruction to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the stock exchange within one (1) working day of the date of allotment of equity shares.

The company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at EMERGE platform of NSE, where the equity shares are proposed to be listed are taken with three (3) working days of the closure of the issue.

MODE OF REFUNDS

- a) In case of ASBA Applicants: Within 2 (two) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the applicant on account of conversion of foreign currency.
- c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar of the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In the case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID, and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in the dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of a refund, if any, may be done through various modes as mentioned below:

- a) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to the availability of complete bank account details including the nine-digit MICR code of the applicant as obtained from the Depository

- b) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants' through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- c) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- d) RTGS – Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of the PAN of the applicant, DP ID, and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Investors' account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details would be used to give refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;
- e) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Investors may refer to the Red Herring Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as may be specified by SEBI.

In case of any delay in unblocking amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- that if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the pre-issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
- that if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue.
- That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily.
- That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed.
- That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company.
- Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall

be credited along with the amount and expected date of electronic credit of refund.

- That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under- subscription etc.
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations, and applicable law for the delayed period.
- That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time.

UNDERTAKING BY SELLING SHAREHOLDERS

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the 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 Selling Shareholders. The Selling Shareholders severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

- 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 Issue, and without any objection by it and in accordance with the instructions of the Registrar to the Issue.
- The portion of the Offered Shares have been held by such Selling Shareholders for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
- It is the Legal and Beneficial owner and has the full title of its respective portion of the Offered Shares.
- That it shall provide all reasonable cooperation as requested by our Company and the BRLM 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 its respective portion of the Offered Shares.
- It 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.
- It will deposit its 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.
- It 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 Issue, 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 an application in the Issue.
- That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue, except as permitted under applicable law.
- The Selling Shareholders has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of the Offer for Sale.

UTILIZATION OF FRESH ISSUE PROCEEDS

Our Board certifies that:

- I. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
- II. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance sheet of the issuer indicating the purpose for which such monies had been utilized;
- III. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- IV. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- V. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

- VI. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Selling Shareholders and BRLM, reserves the right not to proceed with the Issue, in whole or any part thereof at any time after the Issue Opening Date but before the Allotment, with assigning reason thereof. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared within Two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for such a decision and. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and
2. The final ROC approval of the Prospectus after it is filed with the concerned ROC.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh Draft Red Herring prospectus with stock exchange.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated intermediary to the Issue where the Application and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the BRLM 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 Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM 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 Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (ASBA Account) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case

may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock investment, or ASBA Application Form accompanied by cash, money order, postal order, or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

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, of 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of 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. Foreign investment is allowed up to

100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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 SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

Investment by NRI or OCI on repatriation basis

The purchase/ sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on a non-repatriation basis

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon regulations under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any Member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer

made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

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

Investment by foreign portfolio investors.

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

The above information is given for the benefit of the Applicants. Our 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 Applications are not in violation of laws or regulations applicable to them.

This space is intentionally left blank

OFFER STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ten crore rupees and up to twenty-five crore rupees, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of Offer*” and “*Offer Procedure*” on page no. 203 and 211 respectively of this Draft Red Herring Prospectus.

This public offer of up to 51,72,000 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 (the “**Offer Price**”) aggregating to ₹ [●] Lakhs (“**the offer**”) comprising a fresh issue of up to 38,78,400 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 by our company (“**Fresh Issue**”) and an offer for sale of up to 12,93,600 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 by Mr. Amit Kumar Saraff, Mr. Deepak Saraf, Mr. Ankit Saraf, Ms. Shalu Saraf, Ms. Savita Bansal, Mr. Suresh Kumar Bansal, Ms. Preeti Saraf And Ms. Simmi Saraf (“**Selling Shareholders**”) aggregating to ₹ [●] lakhs (“**offer for sale**”). Out of the offer, up to 2,59,200 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 will be reserved for subscription by market maker (“**Market Maker Reservation Portion**”). The offer less the market maker reservation portion i.e. Offer of up to 49,12,800 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 up to ₹ [●] lakhs are hereinafter referred to as the “**Net Offer**”. The offer and the net offer will constitute [●] % and [●] %, respectively of the post issue paid up equity share capital of our company.

This Offer is being made by way of Book Building Process (1):

Particulars of the Offer	Market Maker Reservation Portion	QIBs	Non – Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	Up to 2,59,200 Equity shares	[●] Equity shares	[●] Equity shares	[●] Equity shares
Percentage of Offer Size Available for allocation	[●] % of the offer size	Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual	Not less than 15.00% of the Net Offer shall be available for allocation.	Not less than 35.00% of the Net Offer shall be available for allocation.

		funds only.		
Basis of Allotment	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion: (a) up to [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Offer Procedure” beginning on page 211.	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to Availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on Page 211.
Mode of Application	Only through the ASBA process	Only through the ASBA process (excluding UPI Mechanism) (except in case of Anchor Investors)^	Through ASBA Process through banks or by using UPI Mechanism for payment to the extent of Bids up to ₹500,000.	Through ASBA Process through banks or by using UPI Mechanism for payment.
	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
Minimum Bid Size	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000

Maximum Application Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity in multiple of [●] Equity Shares that the Application size does not exceed ₹2,00,000
Mode of Allotment	Dematerialized Form			
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.			

Note:

1. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.
3. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the 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)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000

More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, 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 initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

WITHDRAWAL OF THE OFFER

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Selling Shareholders and Book Running Lead Manager, reserves the right to not to proceed with the Offer at any time before the Bid/Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ 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, where the Registered office of the Company is situated.

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-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus 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 approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with ROC.

JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities at Delhi.

OFFER PROGRAMME

Event	Indicative Date
Issue Opening Date	[●] ⁽¹⁾
Issue Closing Date	[●] ⁽²⁾
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Note - ⁽¹⁾ Our Company and Selling Shareholders in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ Our Company and Selling Shareholders in consultation with the BRLM, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Offer closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bidform, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the Offer closing date:

- a. A standard cut-off time of 3.00 PM for acceptance of applications.
- b. A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

This space has been intentionally left blank

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020, consolidated, subsumed and superseded 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. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See **“Offer Procedure”** beginning on page 211

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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 SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See **“Offer Procedure”** beginning on page 211.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, 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 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the

Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.

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

The above information is given for the benefit of the Applicants. Our Company and the 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 Applications are not in violation of laws or regulations applicable to them.

This space has been intentionally left blank

SECTION XIII – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

*ARTICLES OF ASSOCIATION OF

IMS MERCANTILES LIMITED

(Formerly Known as IMS Mercantiles Private Limited)

(Incorporated under the Companies Act, 1956)

INTERPRETATION	
I	<p>1. In these regulations-</p> <ul style="list-style-type: none">b. “the Act” means the Companies Act, 2013,c. “the seal” means the common seal of the company. <p>2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.</p>
SHARE CAPITAL AND VARIATION OF RIGHTS	
II. 1.	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.	<ul style="list-style-type: none">i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-<ul style="list-style-type: none">a. one certificate for all his shares without payment of any charges; orb. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3.	<ul style="list-style-type: none">i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4.	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.	<ul style="list-style-type: none">i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

	<ul style="list-style-type: none"> ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6.	<ul style="list-style-type: none"> i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
8.	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.
LIEN	
9.	<ul style="list-style-type: none"> i. The company shall have a first and paramount lien <ul style="list-style-type: none"> a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
10.	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-</p> <ul style="list-style-type: none"> a. unless a sum in respect of which the lien exists is presently payable; or b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11.	<ul style="list-style-type: none"> i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer. iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12.	<ul style="list-style-type: none"> i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
CALLS ON SHARES	

13.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p> <p>iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits</p>
14.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
15.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16.	<p>If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</p> <p>The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
17.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
18.	<p>The Board -</p> <p>a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and</p> <p>b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
TRANSFER OF SHARES	
19.	<p>i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> <p>iii. That a common form of transfer shall be used</p>
20.	<p>i. The Board may, subject to the right of appeal conferred by section 58 decline to register</p> <p>ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>iii. any transfer of shares on which the company has a lien.</p>
21.	<p>The Board may decline to recognise any instrument of transfer unless—</p> <p>a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p>

	<p>b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>c. the instrument of transfer is in respect of only one class of shares.</p> <p>That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever</p>
22.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
TRANSMISSION OF SHARES	
23.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> <p>iii. That a common form of transmission shall be used</p>
24.	<p>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
25.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
26.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
FORFEITURE OF SHARES	
27.	<p>If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid,</p>

	serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28.	The notice aforesaid shall- <ul style="list-style-type: none"> a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30.	<ul style="list-style-type: none"> i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31.	<ul style="list-style-type: none"> i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32.	<ul style="list-style-type: none"> i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; iii. The transferee shall thereupon be registered as the holder of the share; and iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
ALTERATION OF CAPITAL	
34.	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35.	Subject to the provisions of section 61, the company may, by ordinary resolution- <ul style="list-style-type: none"> i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

	<ul style="list-style-type: none"> iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. v. Permission for sub-division/ consolidation of share certificates
36.	<p>Where shares are converted into stock,</p> <ul style="list-style-type: none"> • the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: • Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. • the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. • such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37.	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-</p> <ul style="list-style-type: none"> • it share capital; • any capital redemption reserve account; or • any share premium account.
CAPITALISATION OF PROFITS	
38.	<p>The company in general meeting may, upon the recommendation of the Board, resolve-</p> <ul style="list-style-type: none"> i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards- <ul style="list-style-type: none"> a. paying up any amounts for the time being unpaid on any shares held by such members respectively; b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39.	<ul style="list-style-type: none"> i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-

	<ul style="list-style-type: none"> a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all b. allotments and issues of fully paid shares if any; and c. generally do all acts and things required to give effect thereto. <ul style="list-style-type: none"> ii. The Board shall have power- <ul style="list-style-type: none"> a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; iii. Any agreement made under such authority shall be effective and binding on such members
BUY-BACK OF SHARES	
40.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
GENERAL MEETINGS	
41.	All general meetings other than annual general meeting shall be called extraordinary general meeting.
42.	<ul style="list-style-type: none"> i. The Board may, whenever it thinks fit, call an extraordinary general meeting. ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
PROCEEDINGS AT GENERAL MEETINGS	
43.	<ul style="list-style-type: none"> i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
ADJOURNMENT OF MEETING	
47.	<ul style="list-style-type: none"> i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS	
48.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,</p> <p>i. on a show of hands, every member present in person shall have one vote;</p> <p>ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> <p>iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings</p>
49.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50.	<p>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
51.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52.	Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.
53.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54.	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>
PROXY	
55.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>
BOARD OF DIRECTORS	
58.	<p>The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:</p> <ol style="list-style-type: none"> 1. Amit Kumar Saraff 2. Mr. Suresh Saraf

59.	<p>The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-</p> <ul style="list-style-type: none"> • in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or • in connection with the business of the company.
60.	The Board may pay all expenses incurred in getting up and registering the company.
61.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62.	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.
63.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64.	<ul style="list-style-type: none"> i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
PROCEEDINGS OF THE BOARD	
65.	<p>The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>
66.	<ul style="list-style-type: none"> i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68.	<ul style="list-style-type: none"> i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69.	<ul style="list-style-type: none"> i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

	ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70.	i. A committee may elect a Chairperson of its meetings. ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71.	i. A committee may meet and adjourn as it thinks fit. ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
74.	Subject to the provisions of the Act, i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
THE SEAL	
76.	i. The Board shall provide for the safe custody of the seal. ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
DIVIDENDS AND RESERVE	
77.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79.	i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied,

	<p>including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
80.	<p>i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.</p>
81.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82.	<p>i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
83.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85.	No dividend shall bear interest against the company.
ACCOUNTS	
86.	<p>i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>ii. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
WINDING UP	
87.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder-</p> <p>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p>

	<p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
INDEMNITY	
88.	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p>

This space has been intentionally left blank

SECTION XIV - OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus to be delivered to the ROC for registration and the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 704, 7th Floor, Ring Road Mall Sector-3, Rohini Delhi 110085, India. between 10 a.m. IST and 5 p.m. IST on all Working Days from date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date and Copies of below Material Contracts and Documents are also available online on the website of the company on www.digitek.net.in

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other Applicable Law.

MATERIAL CONTRACTS TO THE OFFER

1. Offer Agreement/ Memorandum of Understanding dated September 19, 2024 between our Company, the Selling Shareholders and the Book Running Lead Manager.
2. Underwriting Agreement dated September 19, 2024 between our Company, the Selling Shareholders and the Underwriter.
3. Market Making Agreement dated September 19, 2024 between our Company, Selling Shareholders, the Book Running Lead Manager and the Market Maker.
4. RTA Agreement dated September 19, 2024 between our Company, the Selling Shareholders and the Registrar to the Offer.
5. Share Escrow Agreement dated [●], 2024 entered into between Our Company, Selling Shareholders and the Share Escrow Agent.
6. Public Issue Account agreement dated [●] among our Company, the Selling Shareholders, the Book Running Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Offer.
7. Tripartite agreement dated May 21, 2024 among NSDL, our Company and the Registrar to the Offer.
8. Tripartite agreement dated June 21, 2024 among CDSL, our Company and the Registrar to the Offer.

MATERIAL DOCUMENTS TO THE OFFER

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated August 26, 2003 and certificate of incorporation dated August 05, 2024 consequent to conversion of our Company to a public limited company.
3. Resolution of the Board of Directors dated August 16, 2024 authorising the Offer and other related matter.
4. Resolution of the shareholders dated August 16, 2024 section 62(1)(c) of the Companies Act, 2013 authorising the Offer and other related matter.
5. Resolution of the Board of Directors of the Company dated August 16, 2024 taking on record the approval for the Offer for Sale by the Selling Shareholders.
6. Resolution of the Board of Directors of the Company dated December 02, 2024 approving the Draft Red Herring Prospectus for filing with the Stock Exchanges.
7. Consent letters dated September 09, 2024 from all Selling Shareholders in relation to the Offer for Sale.

8. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Book Running Lead Manager, Registrar to the Offer, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
9. Peer Review Auditors Report dated October 17, 2024 on Restated Financial Statements of our Company for the period ended July 31, 2024 and the year ended March 31, 2024, March 31, 2023 and March 31, 2022.
10. Statement of tax benefits from M/s Gupta Jalan & Associates, Chartered Accountants dated October 17, 2024.
11. The Report dated December 02, 2024 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
12. Copy of approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on EMERGE Platform of NSE.
13. Due Diligence Certificate submitted to SEBI dated [●] from Book Running Lead Managers to the Offer.
14. Key Performance Indicator Certificate provided by M/s Gupta Jalan & Associates; Chartered Accountants dated October 18, 2024.
15. Resolution of the Audit Committee dated October 24, 2024 approving our key performance indicators.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statute

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY

Sd/-

Amit Kumar Saraff

Managing Director

DIN: 00450475

Place: Delhi

Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE WHOLE TIME DIRECTOR OF OUR COMPANY

Sd/-

Deepak Saraf
Whole Time Director
DIN:01055425

Place: Delhi

Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE EXECUTIVE DIRECTOR OF OUR COMPANY

Sd/-
Shalu Saraf
Executive Director
DIN:10002853

Place: Delhi
Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY

Sd/-
Ankit Saraf
Non-Executive Director
DIN:06562193

Place: Delhi
Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Sd/-
Ankit Chamoli
Independent Director
DIN:06795523

Place: Delhi
Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Sd/-

Ankush Kumar Chokhani

Independent Director

DIN: 10382644

Place: Delhi

Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CS OF OUR COMPANY

Sd/-

Soniya Agrawal

Company Secretary & Compliance Officer

PAN: BRNPA0426K

Place: Delhi

Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CFO OF OUR COMPANY

Sd/-
Shalu Saraf
Chief Financial Officer
PAN: BGUPS6581D

Place: Delhi
Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

Sd/-

Amit Kumar Saraff

Place: Delhi

Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

**Sd/-
Deepak Saraf**

**Place: Delhi
Date: December 02, 2024**

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

**Sd/-
Ankit Saraf**

**Place: Delhi
Date: December 02, 2024**

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

**Sd/-
Shalu Saraf**

**Place: Delhi
Date: December 02, 2024**

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

**Sd/-
Savita Bansal**

**Place: Kolkata
Date: December 02, 2024**

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

Sd/-
Suresh Kumar Bansal

Place: Kolkata
Date: December 02, 2024

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

**Sd/-
Preeti Saraf**

**Place: Delhi
Date: December 02, 2024**

DECLARATION

I, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY

**Sd/-
Simmi Saraf**

**Place: Delhi
Date: December 02, 2024**

This space has been intentionally left blank