



# Innomet

## INNOMET ADVANCED MATERIALS LIMITED

Corporate Identity Number: U27101TG2019PLC132262

REGISTERED OFFICE & CORPORATE OFFICE		CONTACT PERSON		TELEPHONE NUMBER & E-MAIL	WEBSITE
B-31, BHEL Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad-502032, Telangana, India		Ms. Aanchal Sethia Company Secretary & Compliance Officer		+91 04023021726 CS@innomet.net	<a href="http://www.innomet.net">www.innomet.net</a>
<b>OUR PROMOTERS: LAKSHMI KANTHAMMA CHILAKAPATI AND SARITHA DEVI CHILAKAPATI</b>					
<b>DETAILS OF OFFER TO PUBLIC</b>					
TYPE	FRESH ISSUE SIZE	OFS SIZE (by No. of shares or by amount in ₹)	TOTAL ISSUE SIZE	ELIGIBILITY	
Fresh Issue	34,24,000 Equity shares of ₹10 each having an issue Price ₹ [●]/- (including a share premium of ₹ [●] per equity share) aggregating to ₹ [●] Lakhs.	NIL	34,24,000 Equity shares of ₹10 each having an issue Price ₹ [●]/- (including a share premium of ₹ [●] per equity share) aggregating to ₹ [●] Lakhs.	THIS ISSUE IS BEING MADE IN TERMS OF REGULATIONS 229(2) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.	
<b>DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE</b>					
<b>RISK IN RELATION TO THE FIRST ISSUE</b>					
This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price determined by our Company, in consultation with the Lead Manager, as stated under “Basis for Issue Price” on page 95 of this draft prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.					
<b>GENERAL RISK</b>					
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 30 of this Draft Prospectus.					
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.					
<b>LISTING</b>					
The Equity Shares Issued through this Draft 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. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”). Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Draft Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited.					
<b>LEAD MANAGER</b>					
Name and Logo		Contact Person		Email id & Telephone No	
 <b>EXPERT GLOBAL</b> EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED		Mr. Gaurav Jain		Email id: <a href="mailto:ipo@expertglobal.in">ipo@expertglobal.in</a> Telephone: +91 11 4509 8234	
<b>REGISTRAR TO THE ISSUE</b>					
Name and Logo		Contact Person		Email id & Telephone	
 <b>Skyline</b> Financial Services Pvt. Ltd.		Mr. Anuj Rana		Email id: <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> Facsimile & Telephone: +91 22 2851 1022	
<b>ISSUE PERIOD</b>					
ISSUE OPENS ON		[●]	ISSUE CLOSES ON		[●]



# Innomet

## INNOMET ADVANCED MATERIALS LIMITED

**Corporate Identity Number:** U27101TG2019PLC132262;

Our Company was originally formed as a partnership firm under the name and style of "M/s. Padmasree Enterprises" pursuant to a deed of partnership dated March 07, 1984, as amended from time to time. M/s. Padmasree Enterprises was thereafter converted into a private limited Company "Innomet Advanced Materials Private Limited" pursuant to the provisions of Chapter XXI of the Companies Act, 2013 on January 29, 2019 and fresh a certificate of incorporation dated April 24, 2019 was issued by Registrar of Companies, Central Registration Centre. Subsequently, the name of our Company was changed to Innomet Advanced Materials Limited upon conversion to a public limited company pursuant to a Board resolution dated September 07, 2023 and a resolution passed in the Extra-Ordinary General Meeting of the shareholders held on September 18, 2023 and consequently a Fresh Certificate of Incorporation dated November 9, 2023 was issued by the Registrar of Companies, Hyderabad. For further details please refer to chapter titled "History and Corporate Structure" beginning on page 135 of this Draft Prospectus.

**Registered Office:** B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad-502032, Telangana, India;

**Website:** www.innomet.net/innometnew/; **E-mail:** CS@innomet.net; **Tel:** +91 04023021726;

**Contact Person:** Aanchal Sethia, Company Secretary and Compliance Officer;

**OUR PROMOTERS:** LAKSHMI KANTHAMMA CHILAKAPATI AND SARITHA DEVI CHILAKAPATI

### DETAILS OF THE ISSUE

INITIAL PUBLIC OFFERING OF UP TO 34,24,000 EQUITY SHARES OF ₹10/- EACH ("EQUITY SHARES") OF INNOMET ADVANCED MATERIALS LIMITED ("IAML" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] /- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] /- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"). OUT OF THE ISSUE [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E., NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●] /- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] /- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE NO 244 OF THIS DRAFT PROSPECTUS.

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. This Issue is being made through a Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations 2018 wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled 'Issue Information' beginning on page 244 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of their respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to 'Issue Procedure' beginning on page 257 of this Draft Prospectus.

For details in relation to Eligible Investors, please refer to section titled 'Issue Procedure' beginning on page 257 of this Draft Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The face value of the Equity Shares is ₹10/- each and the Issue Price is [●] times the face value. The Issue Price determined by our Company, in consultation with the Lead Manager as stated under "Basis for Issue Price" on page 95 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment 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 offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "Risk factors" beginning on page no. 30 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

### LISTING

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

### LEAD MANAGER



**EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED**  
1511, RG Trade Tower Netaji Subhash Place, Pitampura, New Delhi – 110034, India;  
**Telephone:** +91 11 4509 8234;  
**Email:** ipo@expertglobal.in;  
**Website:** www.expertglobal.in;  
**Investor Grievance Email:** compliance@expertglobal.in;  
**Contact Person:** Mr. Gaurav Jain;  
**SEBI Registration Number:** INM000012874

### REGISTRAR TO THE ISSUE



**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
A/506, Dattani Plaza, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai – 400 072, Maharashtra, India  
**Facsimile & Telephone:** +91 22 2851 1022;  
**Email:** ipo@skylinerta.com;  
**Investor Grievance Email:** grievances@skylinerta.com;  
**Contact Person:** Mr. Anuj Rana  
**Website:** www.skylinerta.com  
**SEBI Registration Number:** INR000003241

### ISSUE PERIOD

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or otherwise specified, shall have the meaning as provided below. References to any legislations, act, regulations, rules, guidelines or policies shall be to such legislations, act, regulations, rules, guidelines or policies, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, 2018, the SCRA, the Depositories Act and the rules and regulations made there under.

*Notwithstanding the foregoing, the terms used in “Basis for Issue Price”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “History and Corporate Structure”, “Financial Information”, “Statement of Financial Indebtedness”, “Outstanding Litigation and Material Developments”, “Government and other approvals” and “Description of Equity Shares and Terms of the Articles of Association” on pages 95, 99, 102, 124, 135, 170, 205, 219, 225 and 286, respectively, shall have the respective meanings ascribed to them in the relevant sections.*

#### General Terms

Term	Description
“Company”, “our Company”, “IAML”, “the Company”, “the Issuer”	Innomet Advanced Materials Limited, a public limited company incorporated under the Companies Act, 2013, having its registered office at B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad - 502032, Telangana, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Promoter(s)	Lakshmi Kanthamma Chilakapati And Saritha Devi Chilakapati
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 162 of this Draft Prospectus.
you, your or yours	Prospective Investors in this Issue

#### Company Related Terms

Term	Description
Articles / Articles of Association / AoA	The Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The audit committee of the Board of Directors as described in “ <i>Our Management</i> ” on page 141.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. G R A N D M A R K & Associates, Chartered Accountants (FRN: 011317N).

<b>Term</b>	<b>Description</b>
<b>Board of Directors/ the Board/ our Board</b>	The Board of Directors of our Company, as constituted from time to time or any duly constituted committee thereof. For further details of our Board of Directors, please refer to the section titled " <i>Our Management</i> " beginning on page 141 of this Draft Prospectus.
<b>Chief Financial Officer / CFO</b>	Saritha Devi Chilakapati, the Chief Financial Officer of our Company.
<b>Company Secretary and Compliance Officer</b>	Aanchal Sethia, the Company Secretary and the Compliance Officer of our Company.
<b>CIN</b>	Corporate Identification Number being U27101TG2019PLC132262
<b>Depositories</b>	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time.
<b>DIN</b>	Directors Identification Number
<b>Director(s)</b>	The director(s) on our Board, as described in " <i>Our Management</i> " on page 141 of this Draft Prospectus.
<b>Equity Shares</b>	Equity shares of our Company of face value of ₹ 10 each.
<b>Executive Directors</b>	Executive Directors are the Managing Director, Whole-time Directors and Manager of our Company.
<b>GIR Number</b>	General Index Registry Number.
<b>Group Companies</b>	In terms of the SEBI ICDR Regulations, the term 'group companies', includes: (i) such companies (other than promoter(s) and subsidiary(ies)) with which our Company had related party transactions during the periods for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by our Board. For details of our Group Companies, see ' <i>Our Group Companies</i> ' on page 166.
<b>Independent Director(s)</b>	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and as described on " <i>Our Management</i> " on page 141 of this Prospectus.
<b>Individual Promoters</b>	Lakshmi Kanthamma Chilakapati And Saritha Devi Chilakapati
<b>ISIN</b>	International Securities Identification Number is INE0S1D01010
<b>Key Managerial Personnel / KMP</b>	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in " <i>Our Management</i> " on page 141 of this Draft Prospectus.
<b>MD / Managing Director</b>	Vinay Choudary Chilakapati, Managing Director of our Company.
<b>Materiality Policy</b>	A policy adopted by our Company, in its Board meeting held on December 15, 2023 for the identification of group companies, material creditors and material litigations.
<b>Memorandum of Association / MoA</b>	Memorandum of Association of our Company, as amended from time to time.
<b>Nomination and Remuneration Committee</b>	The nomination and remuneration committee of the Board of Directors as described in " <i>Our Management</i> " on page 141 of this Draft Prospectus.

Term	Description
<b>Non-Executive Director</b>	A Director not being an Executive Director. For details of our Independent Directors, see “ <i>Our Management</i> ” on page 141 of this Draft Prospectus.
<b>Registered Office</b>	The registered office of our Company situated at B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad - 502032, Telangana, India.
<b>Registrar of Companies/ RoC</b>	The Registrar of Companies, Hyderabad situated at 2nd Floor, Corporate Bhawan, GSI Post, Nagole, Bandlaguda, Hyderabad-500068, Telangana, India.
<b>Restated Financial Statements /Restated Financial Information</b>	The restated financial information of our Company for the six months ended September 30, 2023 and Financial Years March 31, 2023, March 31, 2022 and March 31, 2021 the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the six months period ended September 30, 2023, and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon.
<b>Senior Management</b>	Senior management of our Company in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as disclosed in ‘ <i>Our Management</i> ’ on page 141.
<b>Shareholders</b>	Shareholders holding equity shares of our Company, from time to time.
<b>Stakeholders’ Relationship Committee</b>	The stakeholders’ relationship committee of the Board of Directors as described in “ <i>Our Management</i> ” on page 141 of this Draft Prospectus.

#### Issue Related Terms

Term	Description
<b>Abridged Prospectus</b>	A memorandum containing such salient features of prospectus as may be specified by the SEBI in this behalf.
<b>Acknowledgement Slip</b>	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
<b>Allot/Allotment/ Allotted</b>	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants.
<b>Allotment Advice</b>	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
<b>Allottee</b>	The successful applicant to whom the Equity Shares are being/have been allotted.
<b>Applicant(s)</b>	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
<b>Application Supported by Blocked Amount/ASBA</b>	An application, whether physical or electronic, used by ASBA Applicants to make a Bid and to authorize an SCSB to block the Applicant Amount in the relevant ASBA Account and will include applications made by UPI Applicants using the UPI Mechanism where the Applicant Amount will be blocked upon acceptance of the UPI Mandate Request by the UPI Applicants using the UPI Mechanism.

<b>Term</b>	<b>Description</b>
<b>ASBA Account</b>	A bank account maintained with an SCSB by an ASBA Applicant, as specified in the ASBA Form submitted by ASBA Applicants, for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of a UPI Applicant linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Applicants using the UPI Mechanism.
<b>ASBA Applicant(s)</b>	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form including through UPI mode (as applicable).
<b>ASBA Form</b>	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.
<b>Banker(s) to the Issue/ Sponsor Bank</b>	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being [•].
<b>Basis of Allotment</b>	The basis on which Equity Shares shall be Allotted to successful Bidders under the Issue as described in “ <i>Issue Procedure</i> ” on page 257 of this Draft Prospectus.
<b>Bidding Centres</b>	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
<b>Broker Centres</b>	The broker centres notified by the Stock Exchanges where ASBA Applicants can submit the ASBA Forms to a Registered Broker (in case of UPI Applicants, only using UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ), updated from time to time.
<b>Business Day</b>	Monday to Friday (except public holidays).
<b>CAN or Confirmation of Allocation Note</b>	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
<b>Client ID</b>	Client identification number maintained with one of the Depositories in relation to demat account.
<b>Collecting Depository Participant(s)/ CDP(s)</b>	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI as per the list available on the websites of the Stock Exchange, as updated from time to time.
<b>Controlling Branches</b>	Such branches of SCSBs which coordinate Applications under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
<b>Demographic Details</b>	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
<b>Designated Branches</b>	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Applicants and a list of which is available on the website of the SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and



<b>Term</b>	<b>Description</b>
	updated from time to time, or any such other website as may be prescribed by the SEBI.
<b>Designated CDP Locations</b>	Such locations of the CDPs where ASBA Applicants can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time.
<b>Designated Date</b>	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Applicants using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Draft Prospectus and Prospectus following which Equity Shares will be Allotted in the Issue.
<b>Designated Intermediaries / Collecting Agent</b>	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Applicants using the UPI Mechanism, Designated Intermediaries shall mean SCSBs, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, CDPs and RTAs.
<b>Designated Market Maker</b>	[•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
<b>Designated RTA Locations</b>	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 ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
<b>Designated SCSB Branches</b>	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by UPI Applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Applicants using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
<b>Designated Stock Exchange</b>	National Stock Exchange of India Limited (NSE Emerge i.e. SME platform of NSE) having registered office at Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India.
<b>DP ID</b>	Depository Participant's identity number
<b>Draft Prospectus/DP</b>	This Draft Prospectus dated February 15, 2024 issued in accordance with Section 26 of the Companies Act, 2013 and SEBI ICDR Regulation.
<b>Electronic Transfer of Funds</b>	Refunds through NACH, ECS, NEFT, Direct Credit or RTGS as applicable.

<b>Term</b>	<b>Description</b>
<b>Eligible NRI(s)</b>	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
<b>Eligible QFIs</b>	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
<b>Equity Listing Agreements</b>	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
<b>First Applicant</b>	The Applicant whose name appears first in the Application Form or the Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
<b>Fresh Issue</b>	The fresh offer of up to 34,24,000 Equity Shares at a price of ₹ [●] /- per equity share aggregating to ₹ [●] Lakhs to be issued by our Company as part of this Offer, in terms of the Draft Prospectus.
<b>Fugitive Economic Offender</b>	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
<b>General Information Document/ GID</b>	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time.
<b>Issue/Offer</b>	Initial public offer of up to 34,24,000 Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] lakhs.
<b>Issue/Offer Agreement</b>	The agreement dated February 12, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
<b>Issue/Offer Price</b>	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under the Draft Prospectus and the Prospectus being ₹ [●]/- per share.
<b>Issue/Offer Proceeds</b>	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 82 of this Draft Prospectus.
<b>Issue/Offer Period</b>	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
<b>Issue/Offer Opening</b>	The date on which the Lead Manager, Designated Branches of SCSBs, RTA and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being Telugu Newspaper (Telugu being the regional language of Telangana where the registered office is located).

<b>Term</b>	<b>Description</b>
<b>Issue/Offer Closing</b>	The date after which the Lead Manager, RTA, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being Telugu Newspaper (Telugu being the regional language of Telangana where the registered office is located).
<b>Lead Manager/ LM/</b>	The lead manager to the Issue, being Expert Global Consultants Private Limited.
<b>Listing Agreement</b>	The Listing Agreement to be signed between our Company and EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE)
<b>Lot Size</b>	The Market lot and Trading lot for the Equity Share is [•] and in multiples of [•] thereafter; subject to a minimum allotment of [•] Equity Shares to the successful applicants.
<b>Mandate Request</b>	Mandate Request means a request initiated on the UPI Applicant by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
<b>Market Maker</b>	Market Maker of the Company, in this case being [•]
<b>Market Maker Reservation Portion</b>	The Reserved portion of [•] Equity shares of ₹ 10/- each at an Issue Price of ₹ [•] aggregating to ₹ [•] lakhs for Designated Market Maker in the Public Issue of our Company.
<b>Market Making Agreement</b>	The Agreement among the Market Maker, the Lead Manager and our Company dated [•].
<b>Mobile App(s)</b>	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=ye&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=ye&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by UPI Applicants to submit Applications using the UPI Mechanism.
<b>Mutual Fund</b>	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
<b>Net Issue</b>	The Issue (excluding the Market Maker Reservation Portion) of [•] equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [•] per Equity Share (the “Issue Price”), including a share premium of ₹ [•] per equity share aggregating to ₹ [•] Lakhs
<b>Net Proceeds</b>	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page 82 of this Draft Prospectus.
<b>Non-Institutional Applicant / Investors</b>	All Applicants, including FPIs which are individuals, corporate bodies and family offices, that are not QIBs or RIIs and who have Application for Equity Shares for an amount of more than ₹ 2.00 Lakhs (but not including NRIs other than Eligible NRIs)
<b>Non-Institutional Portion</b>	The portion of the Issue being 50% of the Net Issue consisting of [•] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at the Issue Price or through such other method of allocation as may be introduced under applicable law.
<b>Non-Resident/ NR</b>	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.

<b>Term</b>	<b>Description</b>
<b>Offer Agreement/Issue Agreement</b>	Agreement dated February 12, 2024, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Issue.
<b>Person or Persons</b>	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
<b>Prospectus</b>	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
<b>Public Issue/Offer Account</b>	Account to be opened with Banker to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
<b>Public Issue Account Bank</b>	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [•].
<b>Pricing Date</b>	The date on which our Company, in consultation with the Managers, will finalise the Issue Price
<b>Qualified Foreign Investors / QFIs</b>	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
<b>Qualified Institutional Buyers / QIBs</b>	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
<b>Refund account</b>	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made.
<b>Refund Bank</b>	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [•].
<b>Registered Brokers</b>	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
<b>Registrar Agreement</b>	The registrar agreement dated November 17, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
<b>Registrar and Share Transfer Agents/ RTAs</b>	The registrar and the share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the website of NSE.
<b>Registrar to the Issue / Registrar</b>	Skyline Financial Services Private Limited
<b>Reserved Category(ies)</b>	Categories of persons eligible for making application under reservation portion.

<b>Term</b>	<b>Description</b>
<b>Retail Individual Investors</b>	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the karta and Eligible NRIs).
<b>Retail Portions</b>	Portion of the Issue being 50% of the Net Issue consisting of [•] Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
<b>Revision Form</b>	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
<b>Self-Certified Syndicate Banks or SCSBs</b>	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
<b>Specified Locations</b>	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
<b>Sponsor Bank</b>	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI Applicants as per the UPI Mechanism, in this case being [•].
<b>Stock Exchange</b>	EMERGE Platform of National Stock Exchange of India Limited
<b>TRS/Transaction Registration Slip</b>	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form
<b>Underwriter</b>	Underwriter to this issue being [•].
<b>Underwriting Agreements</b>	The agreement dated [•] entered into amongst the Lead Manager, Underwriter and our Company prior to the filing of the Prospectus with the RoC.
<b>Unified Payment Interface or UPI</b>	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
<b>UPI Applicants</b>	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Forms(s) submitted with Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 using UPI Mechanism, shall provide

Term	Description
	their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
<b>UPI Circulars / SEBI UPI Circulars</b>	The 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/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/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/MIRSD/POD -1/P/CIR/2023/70 dated May 17, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
<b>UPI ID</b>	ID created on UPI for single-window mobile payment system developed by the NPCI.
<b>UPI Mandate Request</b>	A request (intimating the UPI Applicant by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Applicant to such UPI linked mobile application) to the UPI Applicant 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.
<b>UPI Mechanism</b>	Process for applications by UPI Applications submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
<b>UPI PIN</b>	Password to authenticate UPI transaction.
<b>Wilful Defaulter</b>	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
<b>Working Day(s)</b>	“Working Day” shall mean all days, excluding all Saturdays, Sundays, and public holidays, on which commercial banks in city as mentioned in this Draft Prospectus are open for business and in case of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

## Conventional and General Terms and Abbreviations

Term	Description
<b>AGM</b>	Annual General Meeting
<b>AIF(s)</b>	Alternative Investment Funds
<b>AS/Accounting Standards</b>	Accounting Standards issued by the Institute of Chartered Accountants of India
<b>ASBA</b>	Applications Supported by Blocked Amount
<b>BSE</b>	BSE Limited
<b>CAGR</b>	Compounded Annual Growth Rate.
<b>Category I AIF</b>	AIFs which are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
<b>Category II AIF</b>	AIFs which are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
<b>Category III AIF</b>	AIFs which are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulation.
<b>Category I FPI(s)</b>	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
<b>Category II FPI(s)</b>	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
<b>Category III FPIs</b>	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
<b>CDSL</b>	Central Depository Services (India) Limited.
<b>CFO</b>	Chief Financial Officer
<b>CGST</b>	Central GST
<b>CIN</b>	Corporate Identification Number
<b>CIT</b>	Commissioner of Income Tax
<b>CLRA</b>	Contract Labour (Regulation and Abolition) Act, 1970.
<b>Companies Act</b>	Companies Act, 1956 and / or the Companies Act, 2013 as applicable read with the rules, regulations, clarifications, and modifications thereunder.
<b>Consolidated FDI Policy</b>	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
<b>COVID-19</b>	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
<b>CSR</b>	Corporate social responsibility
<b>Depository(ies)</b>	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
<b>DP or Depository Participant</b>	A depository participant as defined under the Depositories Act
<b>Depositories Act</b>	The Depositories Act, 1996
<b>DIN</b>	Director Identification Number

<b>Term</b>	<b>Description</b>
<b>DIPP</b>	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
<b>DP ID</b>	Depository Participant's Identity Number
<b>DPIIT</b>	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)
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortization
<b>ECS</b>	Electronic Clearing System
<b>EGM</b>	Extraordinary General Meeting
<b>EMERGE</b>	The Emerge platform of National Stock Exchange of India Limited
<b>EMI</b>	Equated Monthly Instalments
<b>EPF Act</b>	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
<b>EPS</b>	Earnings per share
<b>ESI Act</b>	Employees' State Insurance Act, 1948
<b>ESIC</b>	Employee State Insurance Corporation
<b>ESOP</b>	Employee Stock Option Plan
<b>FCNR Account</b>	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
<b>FDI</b>	Foreign direct investment
<b>FEMA</b>	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
<b>FEMA Regulations</b>	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
<b>Financial Year/Fiscal</b>	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
<b>FPIs</b>	Foreign portfolio investors as defined in, and registered with the SEBI under the SEBI FPI Regulations
<b>FVCI</b>	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
<b>GAAR</b>	General Anti-Avoidance Rules
<b>GDP</b>	Gross Domestic Product
<b>GoI/ Government</b>	The Government of India
<b>GST</b>	Goods and services tax
<b>HUF(s)</b>	Hindu Undivided Family(ies)
<b>ICAI</b>	Institute of Chartered Accountants of India
<b>ICSI</b>	Institute of Company Secretaries of India
<b>IFSC</b>	Indian Financial System Code
<b>Income Tax Act</b>	Income Tax Act, 1961
<b>India</b>	Republic of India
<b>Indian GAAP</b>	Generally Accepted Accounting Principles in India
<b>INR or ₹ or Rs. Or Indian Rupees</b>	Indian Rupee, the official currency of the Republic of India.
<b>IPO</b>	Initial public offering
<b>IRDAI</b>	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999



<b>Term</b>	<b>Description</b>
<b>IRR</b>	Internal rate of return
<b>IMPS</b>	Immediate Payment Service
<b>IST</b>	Indian Standard Time
<b>Insolvency Code</b>	Insolvency and Bankruptcy Code, 2016
<b>ISIN</b>	International Securities Identification Number
<b>IT Act</b>	Information Technology Act, 2000
<b>KYC</b>	Know your customer
<b>LIBOR</b>	London Inter-Bank Offer Rate
<b>LLP</b>	Limited Liability Partnership
<b>MCA</b>	The Ministry of Corporate Affairs, Government of India
<b>MSME</b>	Micro, Small, and Medium Enterprises
<b>Mn / mn</b>	Million
<b>Mutual Funds</b>	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
<b>N.A. or NA</b>	Not Applicable
<b>NACH</b>	National Automated Clearing House, a consolidated system of ECS.
<b>NAV</b>	Net Asset Value
<b>NBFC</b>	Non-Banking Financial Company
<b>NECS</b>	National Electronic Clearing Services
<b>NEFT</b>	National Electronic Fund Transfer
<b>NR or Non-Resident</b>	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
<b>NRO</b>	Non-resident ordinary account
<b>NRI</b>	Non Resident Indian
<b>NSDL</b>	National Securities Depository Limited
<b>NSE</b>	National Stock Exchange of India Limited
<b>NPCI</b>	National Payments Corporation of India
<b>OCB or Overseas Corporate Body</b>	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Issue
<b>p.a.</b>	Per annum
<b>P/E Ratio</b>	Price/Earnings Ratio
<b>PAN</b>	Permanent account number
<b>PAT</b>	Profit after tax
<b>PIO</b>	Person of India Origin
<b>Payment of Bonus Act</b>	Payment of Bonus Act, 1965
<b>Payment of Gratuity Act</b>	Payment of Gratuity Act, 1972
<b>PMLA</b>	Prevention of Money Laundering Act, 2002
<b>RBI</b>	The Reserve Bank of India
<b>RBI Act</b>	Reserve Bank of India Act, 1934
<b>Regulation</b>	Regulation under the Securities Act
<b>RTI</b>	Right to Information, in terms of the Right to Information Act, 2005
<b>RTGS</b>	Real Time Gross Settlement

<b>Term</b>	<b>Description</b>
<b>₹/Rs./ Rupees/ Indian Rupees</b>	The lawful currency of India
<b>SCRA</b>	Securities Contract (Regulation) Act, 1956, as amended from time to time
<b>SCRR</b>	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
<b>SARFAESI Act</b>	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the SEBI Act
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992
<b>SEBI AIF Regulations</b>	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
<b>SEBI Depository Regulations</b>	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
<b>SEBI ICDR Regulations</b>	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
<b>SEBI FPI Regulations</b>	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
<b>SEBI FVCI Regulations</b>	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
<b>SEBI Listing Regulations</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>SEBI SBEB &amp; SE Regulations</b>	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
<b>SEBI Merchant Bankers Regulation</b>	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
<b>SEBI Mutual Fund Regulations</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
<b>SEBI SBEB &amp; SE Regulations</b>	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
<b>SEBI Takeover Regulations</b>	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
<b>SEBI VCF Regulations</b>	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
<b>Stamp Act</b>	The Indian Stamp Act, 1899
<b>STT</b>	Securities Transaction Tax
<b>SME</b>	Small and Medium Enterprises
<b>State Government</b>	The government of a state in India
<b>Trademarks Act</b>	Trademarks Act, 1999
<b>TAN</b>	Tax deduction account number allotted under the Income-tax Act
<b>TDS</b>	Tax deducted at source
<b>US\$/ USD/ US Dollar</b>	United States Dollar, the official currency of the United States of America
<b>USA/ U.S./ US</b>	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>U.S. GAAP</b>	Generally Accepted Accounting Principles in the United States of America
<b>U.S. Securities Act</b>	The United States Securities Act of 1933
<b>VAT</b>	Value Added Tax

<b>Term</b>	<b>Description</b>
<b>VCFs</b>	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
<b>w.e.f.</b>	With effect from
<b>Wilful Defaulter(s) or Fraudulent Borrower(s)</b>	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(111) of the SEBI ICDR Regulations.
<b>Year/Calendar Year</b>	Unless context otherwise requires, shall refer to the twelve month period ending December 31
<b>YoY</b>	Year on Year

#### **Industry Related Terms**

<b>Term</b>	<b>Description</b>
<b>BCG</b>	Boston Consulting Group
<b>CAGR</b>	Compound Annual Growth Rate
<b>CIP</b>	Cold isostatic pressing
<b>GMP</b>	Good manufacturing practices
<b>g/cc</b>	Gram per cubic centimetre
<b>HIP</b>	Hot isostatic pressing
<b>HRC</b>	Rockwell hardness
<b>KVA</b>	Kilovolt amperes
<b>MIM</b>	Metal injection Moulding
<b>Mpa</b>	Megapascal
<b>mm</b>	Millimetre
<b>OEMs</b>	Original Equipment Manufacturers
<b>PPP</b>	Purchasing Power Parity
<b>PM</b>	Powder Metallurgy
<b>SMCs</b>	Soft Magnetic Composites
<b>THA</b>	Tungsten Heavy Alloys
<b>WEO</b>	World Economic Outlook

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

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

### **CERTAIN CONVENTIONS**

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Innomet Advanced Materials Limited. All references in this Draft 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.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time (“IST”). Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our Restated Financial Statements of our Company for the six months ended September 30, 2023, Financial Years March 31, 2023, March 31, 2022 and March 31, 2021 the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the six months period ended September 30, 2023 and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on “Reports in Company Prospectus”, as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled “*Restated Financial Statements*” beginning on page 171 of this Draft Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft 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 the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapter titled “*Risk Factors*”, “*Our Business*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page numbers 30, 112 and 207 respectively, of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on “Reports in Company Prospectus”, as amended issued by ICAI.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been derived from IMF, World Economic Outlook Update, July 2023, India Brand Equity Foundation (IBEF) and Mordor intelligence. 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.

We believe that the industry and market data used in this Draft Prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled "**Risk Factors**" beginning on page 30 of this Draft Prospectus. Accordingly, investment decisions should not be based on such information.

## CURRENCY AND UNITS OF PRESENTATION

### Currency and units of presentation

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

'Rupees' or 'Rs.' or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.

'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

All references to the word 'Lakh' or 'Lac,' means 'One hundred thousand' and the word 'Million' means 'Ten lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million.'

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### Exchange Rates

This Draft 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#	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06	82.22	75.81	73.51

# Source: [www.fbil.org.in](http://www.fbil.org.in)

In case of a public holiday, the previous working day not being a public holiday has been considered. The reference rates are rounded off to two decimal places.

## FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements.” These forward-looking statements generally can be identified by words or phrases such as “aim,” “anticipate,” “are likely,” “believe,” “continue,” “can,” “could,” “expect,” “estimate,” “goal,” “intend,” “may,” “likely,” “objective,” “plan,” “propose,” “project,” “seek,” “will,” “will achieve,” “will continue,” “will likely,” “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, or goals are also forward-looking statements.

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

All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability;
- Our failure to successfully implement our growth strategy and expansion plans;
- Our failure to retain and hire key employees or maintain good relations with our workforce;
- Our failure to keep pace with rapid changes in technology;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled “*Risk Factors*” “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 30, 112 and 207 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Applicants that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Applicants are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Lead Manager, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Equity shares pursuant to the Issue.

## SECTION II - SUMMARY OF THE DRAFT PROSPECTUS

The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*”, “*Issue Procedure*”, and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 30, 50, 66, 82, 102, 112, 170, 219, 257 and 286, respectively of this Draft Prospectus.

### 1. Summary of Business

Our Company is engaged in the business of manufacture of Diamond Tools, Metal Powders (Ferrous, Non-Ferrous and their Alloys) and Tungsten Heavy Alloys (THA).

For further details, please refer chapter titled “*Our Business*” on page 112 of this Draft Prospectus.

### 2. Summary of Industry

The work of our company falls under the industry of metal powder metallurgy. The global powder metallurgy market size was valued at USD 2.41 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 12.9% from 2023 to 2030. The increasing adoption of additive manufacturing to reduce the weight of parts or components used in the aerospace, defense, and healthcare sectors will drive the market over the forecast period. 3D printing, also called additive manufacturing, offers properties, such as reduced weight, cost-effectiveness, and complexity in designs, which have attracted various manufacturers to implement the technology in their manufacturing processes. 3D printing is used in various industries, such as jewelry, medical, food, footwear, and aerospace. This has positively influenced the market growth.

For further details, please refer chapter titled “*Industry Overview*” on page 102 of this Draft Prospectus.

### 3. Promoters

As on the date of this Draft Prospectus, Mrs. Lakshmi Kanthamma Chilakapati and Mrs. Saritha Devi Chilakapati are the Promoters of our Company.

For further details, see “*Our Promoters and Promoter Group*” on page 162 of this Draft Prospectus.

### 4. Details of Issue

<b>Issue*</b>	Issue of upto 34,24,000 Equity Shares of ₹10 each for cash at a price of ₹ [•] per Equity Share (including premium of ₹ [•] per Equity Share) aggregating upto ₹ [•] lakhs.
<b>Out of which</b>	
<b>Market Maker Reservation Portion</b>	Up to [•] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [•] per Equity Share (including premium of ₹ [•] per Equity Share) aggregating to ₹ [•] lakhs.



<b>Net Issue to the Public</b>	Up to [•] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ [•] per Equity Share (including premium of ₹ [•] per Equity Share) aggregating to ₹ [•] lakhs.
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\* The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on December 15, 2023, and the Issue has been authorized by our Shareholders pursuant to a special resolution passed on January 10, 2024.

For further details, see “**The Issue**”, “**Issue Structure**”, and “**Issue Procedure**” on pages 50, 253 and 257 of this Draft Prospectus.

## 5. Objects of the Issue

The fund requirements for each of the Object of the Issue are stated below.

The details of the proceeds of the Issue are summarised in the table below:

(₹ in lakhs)			
Sr. No.	Particulars	Amount*	% of Gross Proceeds
1.	Working capital requirement	1159.70	[•]
2.	Capital expenditure requirements of our Company towards purchase of machinery and equipment	684.36	[•]
3.	Repayment or prepayment, in full or in part, of all or a Portion of certain outstanding borrowings availed by our Company, from banks and financial institutions	251.95	[•]
4.	Issue Related Expenses <sup>(1)</sup>	[•]	[•]
5.	General corporate purposes <sup>(2)</sup>	[•]	[•]
	<b>Total Proceeds from the Issue</b>	[•]	[•]

(1) To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

(2) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

### Utilization of Net Proceeds

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

(₹ in lakhs)		
Sr. No.	Particulars	Amount
1.	Working Capital Requirement	1159.70
2.	Capital expenditure requirements of our Company towards purchase of machinery and equipment	684.36
3.	Repayment or prepayment, in full or in part, of all or a Portion of certain outstanding borrowings availed by our Company, from banks and financial institutions	251.95
4.	Issue Related Expenses	[•]
5.	General Corporate Purpose*	[•]
	<b>Total</b>	[•]

\*The amount shall not exceed 25% of the Gross Proceeds.

For further details, see “*Objects of the Issue*” beginning on page 82 of this Draft Prospectus.

## 6. Aggregate Pre Issue Shareholding of Promoters and Promoter Group

As on the date of this Draft Prospectus, the aggregate Pre-Issue shareholding of our Promoters and Promoter Group, as a percentage of the Pre-Issue paid-up Equity Share capital of our Company is set out below:

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
<b>(A) Promoter</b>			
1.	Lakshmi Kanthamma Chilakapati	40,05,794	42.09%
2.	Saritha Devi Chilakapati	40,59,228	42.65%
<b>Sub-Total (A)</b>		<b>80,65,022</b>	<b>84.74%</b>
<b>(B) Promoter Group</b>			
1.	Vinay Choudary Chilakapati	5,26,316	5.53%
<b>Sub-Total (B)</b>		<b>5,26,316</b>	<b>5.53%</b>
<b>Total</b>		<b>85,91,338</b>	<b>90.28%</b>

For further details, see “*Capital Structure*” beginning on page 66 of this Draft Prospectus.

## 7. Summary of Restated Financial Information

A summary of the financial information of our Company as per the Restated Financial Information is as follows:

(₹ in lacs)

Particulars	As at and for the Fiscal ended			As at and for the six months period ended
	March 31,2023	March 31,2022	March 31,2021	September 30, 2023*
Equity Share Capital	288.32	288.32	188.32	951.65
Net worth <sup>(1)</sup>	705.95	379.78	230.59	1423.45
Revenue from Operations	2712.93	2238.42	1243.78	1531.31
Profit for the period/ year	321.55	55.17	20.12	203.35
Earning/Loss per share <sup>(2)</sup>				
-Basic	11.15	1.91	1.07	2.14
-Diluted <sup>(3)</sup>	11.15	1.91	1.07	2.14
Net Asset Value per Equity Share <sup>(4)</sup>	24.48	13.17	12.24	14.96
Total Borrowings <sup>(5)</sup>	1,209.5	940.96	787.41	1211.36
Current Borrowings	369.86	390.82	384.23	497.45
Non-Current Borrowings	839.64	550.14	403.18	713.91

\*Not annualized

Notes:

(1) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after

deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

(2) Basic EPS (₹) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year.

(3) Diluted EPS (₹) = Restated profit for the period/year / Weighted average number of diluted potential equity shares outstanding during the period/year

(4) Net Asset Value per share (in ₹) = Restated net worth at the end of the period/year / Number of equity shares outstanding at the end of the period/year.

(5) Total borrowings consist of current (including current portion of long-term borrowings) and non-current borrowings.

For further details, see “Restated financial statements” beginning on page 171 of this Draft Prospectus.

## 8. Auditor qualifications which have not been given effect to in the Restated Financial statements

Our Statutory Auditor have not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

## 9. Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our promoters and our directors as on the date of this Draft Prospectus is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	NA	NA	NA	NA	NA	NA
Against the Company	NA	NA	NA	NA	NA	NA
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	2	NA	NA	NA	0.48
<b>Promoters*</b>						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	NA	1	NA	NA	NA	0.13
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						

By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

*\*Our Promoter Smt. Saritha Devi Chilakapati is also a director on the Board. However litigation against her have not been inserted in the litigation against directors to avoid repetition.*

**Brief details of top 5 Criminal Case against our Promoters:**

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1	NA	NA	NA	NA

**10. Risk Factors**

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 30 of this Draft Prospectus.

**11. Summary of Contingent Liabilities**

The details of our contingent liabilities as on September 30, 2023, March 31, 2023, March 31, 2022, March 31, 2021 derived from the Restated Financial Statements are set forth below:

(₹ in lacs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Contingent Liabilities:</b>				
Claim against the company not acknowledged as debt	Nil	Nil	Nil	Nil
- Income tax	Nil	Nil	Nil	Nil
- Letter of Credit	Nil	Nil	Nil	Nil
- Bank Guarantee	Nil	Nil	Nil	Nil

For further details, please refer the chapters titled “**Financial Information**” at page 170 of this Draft Prospectus.

**12. Summary of Related Party Transactions**

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 and for the period ended September 30, 2023:

Statement showing details of related party and their relation with the company		
No	Name Of Person	Relation With The Company
1.	Keerthi Enterprises	Company/entity owned or significantly influenced by directors/ KMP
2.	Prasad Innovation	
3.	Prasad Engineering Works	
4.	Vinay Choudary Chilakapati – Managing Director & CEO	Key Management Personnel’s/Directors:
5.	Saritha devi Chilakapati - Whole time Director & CFO	

(₹ in lacs)

Statement showing details of related party outstanding balances						
No	Particular	Nature Of Transaction	As at September, 2023	As at March, 2023	As at March, 2022	As at March, 2021
1.	Vinay Choudary Chilakapati	Advances	12.51	12.51	-	-
2.	Vinay Choudary Chilakapati	Travel Expenses	1.35	4.12	-	-
3.	Saritha devi Chilakapati	Advances	5.27	2.02	-	-
4	Vinay Choudary Chilakapati Saritha devi Chilakapati	Directors Remuneration	13.68	54.00	-	-
5.	Keerthi Enterprises	Trade Payables	(62.65)	(595.55)	-	-
6.	Prasad Innovation	Trade Payables	3.05	0.02	-	-
7.	Prasad Innovation	Job Works	44.78	250.40	-	-
8.	Prasad Engineering Works	Trade Payables	18.16	(3.80)	-	-

For further details of the related party transactions and as reported in the Restated Financial Statements, see “**Financial Information**” beginning on page 170 of this Draft Prospectus.

### 13. Financials Arrangements

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is promoter of our Company, the directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.

### 14. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Prospectus

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Prospectus is as follows:

Sr. No.	Name of the Promoter	Number of Equity Shares acquired in the last one year	Weighted average price of acquisition per Equity Share in the last
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		preceding the date of this Draft Prospectus	one year preceding the date of this Draft Prospectus (in ₹)*
1.	Lakshmi Kanthamma Chilakapati	5,32,440**	[•]
2.	Saritha Devi Chilakapati	7,22,086**	[•]

\*As certified by [•], Chartered Accountants by way of their certificate dated [•], 2024.

\*\* The number of equity shares acquired does not include the equity shares issued pursuant to a bonus issue.

## 15. Average Cost of Acquisition of Equity Shares for Promoters

The average cost of acquisition of Equity Shares for the Promoters is as follows:

Name of Promoter	No. of shares held	Average Cost of Acquisition (in ₹)
Lakshmi Kanthamma Chilakapati	40,05,794	6.20
Saritha Devi Chilakapati	40,59,228	6.86
<b>Total</b>	<b>80,65,022</b>	--

\*As certified by GRANDMARK & Associates, Chartered Accountants by way of their certificate dated January 29, 2024.

## Pre-IPO Placement

Our Company may, at Board's discretion plan to allot fresh Equity shares to third party Individuals / Bodies corporate on Private Placement basis at price decided at time of such placement supported by a report on valuation from a Registered Valuer. Further the Board shall in no case approve transfer of shares held by existing shareholders / Promoters upto the date of Listing.

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

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year as on the date of this Draft Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottee	No. of Shares Allotted
August 24, 2023	10,44,000	10/-	19/-	Preferential Allotment	Purchase of Intangible assets- Trademarks	Lakshmi Kanthamma Chilakapati	5,32,440
						Saritha Devi Chilakapati	5,11,560
						<b>Total</b>	<b>10,44,000</b>
September 04, 2023	39,27,248	10/-	-	Bonus Issue	-	Lakshmi Kanthamma Chilakapati	20,02,897

						Saritha Devi Chilakapati	19,24,351
						Total	39,27,248
September 20, 2023	10,30,526	10/-	19/-	Sweat Equity	-	Vinay Choudary Chilakapati	5,26,316
						Saritha Devi Chilakapati	2,10,526
						K. Sai Babu	2,10,526
						K. Ramesh	12,632
						Y. Parthasaradhi	16,842
						G.V. Murali Krishna	4,211
						I. Srinivas Rao	10,526
						N.V. Yugandar	7,368
						D. Sreenivas	7,368
						N. Ramesh	2,105
						S. Neeraja	5,263
						N. Haritha	5,263
						I. Srisessa	5,263
						Lalitha	4,211
						Krishnaveni	1,053
						D. Sudhakar	1,053
						<b>Total</b>	<b>10,30,526</b>
September 20, 2023	6,31,516	10/-	19/-	Conversion of Compulsory Convertible Debentures	-	Vinod Aachi	2,63,158
						Venu Madhav Palaparthi	3,68,358
						<b>Total</b>	<b>6,31,516</b>

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

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year as on the date of this Draft Prospectus.

### 18.Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of this Draft Prospectus.

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

To obtain a complete understanding, you should read this section in conjunction with the sections “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 102, 112 and 207 of this Draft Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

This Draft 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, in the section titled “*Forward-Looking Statements*” on page 19 of this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.

#### **Materiality:**

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

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

#### Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.



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

In this Draft Prospectus, any discrepancies in any table between the total and sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “*Risk Factors*” beginning on page 30 and “*Management’s Discussion And Analysis Of Financial Condition And Results Of Operations*” beginning on page 207 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Innomet Advanced Materials Limited.

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

## **INTERNAL FACTORS**

### **1. We have experienced negative cash flows in relation to our operating, investing and financing activities in the last three financial years. Any negative cash flows in the future would adversely affect our results of operations and financial condition**

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following periods as indicated in the table below:

<b>Particulars</b>	<b>As at September 30, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net cash used/ generated from operating activities	164.26	352.99	-17.79	-12.58
Net cash used/ generated from investing activities	671.43	-472.44	-271.54	-68.83
Net cash used/ generated from financing activities	516.00	118.15	288.13	79.67
Net increase/ (decrease) in cash and cash equivalent	8.83	-1.30	-1.21	-1.74

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future 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 details, see “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 171 and 207.

### **2. Our Directors & Promoters, Senior Management and Key Managerial Personnel have no interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.**

Our performance depends largely on the efforts and abilities of our Individual Promoters, Key Managerial Personnel and Senior Management, other senior personnel, and the performance and

productivity of our operational managers and field personnel. Our core management team which includes our Chief Executive Officer and Whole-time Director, oversees the day-to-day operations, implementation of long-term growth and strategy planning of our business. We believe that the inputs and experience of our Individual Promoters, other Directors, Key Managerial Personnel and our Senior Management are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our Individual Promoters, other Directors, Key Managerial Personnel and Senior Management, see “*Our Management*” and “*Our Promoter and Promoter Group*” on pages 141 and 162, respectively.

If such individuals are unable or unwilling for any reason to continue their association with us, or to devote as much time to our operations as they have in the past, we may not be able to identify and engage suitable replacements and may not be able to replace them easily, or at all. As a result of any such factors, our business, cash flows, financial condition, results of operations and prospects and, particularly, our brand value, reputation and expansion strategy, may be adversely affected. There is no assurance that key members of our management team will not leave us.

We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, cash flows and our results of operations.

We are also highly dependent on the performance and productivity of our business development team and client managers. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise in order to meet the requirements of our customers. We must continually evaluate our base of available qualified personnel keep pace with changing customer needs. Competition for individuals with proven skills is intense, and demand for these individuals is expected to remain strong for the foreseeable future. Accordingly, a loss of the services of our key personnel may adversely affect our business, cash flows, results of operations and financial condition.

**3. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect business prospects, results of operations and financial condition.**

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. While we have not faced any such instances of material nature in the last three (3) financial years, it may not always be possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which may result in write-off of such amounts.

**4. There are outstanding litigations involving our Company, Promoters and Directors which, if determined adversely, may affect our business and financial condition.**

As on the date of this Draft Prospectus, our Company, Promoters and Directors are involved in certain legal proceedings. We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoters and Directors or that no further liability will arise out of these proceedings. Any adverse decision may adversely affect our business, results of operations and financial condition. A summary of the pending litigations involving our Company is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved

			Proceedings	against our Promoters		(Rs in Lakhs)
<b>Company</b>						
By the Company	NA	NA	NA	NA	NA	NA
Against the Company	NA	NA	NA	NA	NA	NA
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	2	NA	NA	NA	0.48
<b>Promoters*</b>						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	NA	1	NA	NA	NA	0.13
<b>Group Companies</b>						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

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

We require several statutory and regulatory permits, licenses, and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Further, we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses, or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled '*Key Industry Regulations and Policies*' and '*Government and Other Key Approvals*' at page 124 and 225 respectively of this Draft Prospectus.

**6. The average cost of acquisition of Equity Shares by our Promoters may be lower than the Issue Price.**

The average cost of acquisition of Equity Shares held by our promoters, the Promoters may be lower than the Issue Price is set out below.

Sr. No.	Name of the Promoter	Number of Equity Shares held as on the date of this Draft Prospectus	Average cost of acquisition per Equity Share (in ₹) *
1.	Lakshmi Kanthamma Chilakapati	40,05,794	6.20
2.	Saritha Devi Chilakapati	40,59,228	6.86

For further details regarding the average cost of acquisition of Equity Shares by the Promoters in our Company, please see "*Summary of the Draft Prospectus*" on page 21 of the Draft Prospectus.

**7. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.**

Our factory has significant electricity requirements and any interruption in power supply may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories and production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost effective substitute, which may negatively affect our business, financial condition and results of operations.

For Further details, please refer to chapter titled “*Our Business*” beginning on Page 112 of this Draft Prospectus.

**8. We do not have long-term agreements with our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows. Further, our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.**

At present, we do not enter into long-term agreements with our suppliers for purchase of raw material. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to inter alia the international scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We typically do not enter into long-term agreements with customers, our relationship with our customers is on a non- exclusive basis and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. Therefore, we cannot assure that we will receive repeat orders from our customers in the future. Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers’ expectations and specifications could result in the cancellation or non- renewal of contracts.

There are also a number of factors, other than our performance, that could cause the loss of a customer such as:

- (a) increase in prices of raw materials and other input costs;
- (b) changes in consumer preferences;
- (c) changes in governmental or regulatory policy, etc.

Any of these factors may have an adverse effect on our business, results of operations and financial condition. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to such customers in the future. If we overestimate demand, we may incur costs to purchase more raw materials and manufacture more products than required. Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us.

Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity in which case we would be forced to incur a loss.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. We may fail to maintain the requisite inventory, which may adversely impact our ability to deliver products to customers in a timely manner which may lead to loss of revenues or customers. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

**9. We have issued Equity Shares at prices that may be lower than the Issue Price in the last 12 months.**

We have issued Equity Shares in the last 12 months at a price that may be lower than the Issue Price, as set out in the table below:

*Preferential Allotment shares for consideration other than cash by the company to its Promoters of the company:*

Date of allotment	Number of Equity Shares Allotted	Name and Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)
August 24, 2023	10,44,000	5,32,440 Equity Shares allotted to Chilakapati Lakshmi Kantamma and 5,11,560 Equity Shares to Chilakapati Saritha Devi	10	19

*Sweat Equity issued shares for consideration other than cash by the company to its eligible employees at a price ₹19 per share cash: -*

Date of allotment	Number of Equity Shares Allotted	Name and Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)
September 20, 2023	10,30,526	5,26,316 Equity Shares were allotted to Ch. Vinay Chilakapati, 2,10,526 Equity Shares were allotted to Saritha Devi, 2,10,526 Equity Shares were allotted to K. Sai Babu, 12,632 Equity Shares were allotted to K. Ramesh, 16,842 Equity Shares were allotted to Y. Parthasaradhi, 4,211 Equity Shares were allotted to G.V. Murali Krishna, 10,526 Equity Shares were allotted to I. Srinivas Rao, 7,368 Equity	10	19

Date of allotment	Number of Equity Shares Allotted	Name and Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)
		Shares were allotted to N.V. Yugandar, 7,368 Equity Shares were allotted to D. Sreenivas, 2,105 Equity Shares were allotted to N. Ramesh, 5,263 Equity Shares were allotted to S. Neeraja, 5,263 Equity Shares were allotted to N. Haritha, 5,263 Equity Shares were allotted to I. Srisessa, 4,211 Equity Shares were allotted to Lalitha, 1,053 Equity Shares were allotted to Krishnaveni and 1,053 Equity shares were allotted to D. Sudhakar		

*Conversion of Compulsory Convertible Debentures into equity shares allotted at a price of ₹19 as per valuation report given by Mr. K. Chiranjeevi Rao on July 25, 2023 vide registration number ICAIRVO/06/RV-P070/2022-23 and IBBI Registration No.IBBI/RV/06/2022/14955:*

Date of allotment	Number of Equity shares Allotted	Name and Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)
September 20, 2023	6,31,516	2,63,158 Equity Shares were allotted to Vinod Aachi and 3,68,358 Equity Shares were allotted to Venu Madhav Palaparthi	10	19

**10. Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial conditions.**

Our operations are dependent on the timely transport of raw materials to our manufacturing facilities and of our products to our customers. We typically rely on third party transportation providers for transportation of Raw Material to our manufacturing facility and from our manufacturing facility to our customers, which are subject to various bottlenecks, including customs, weather, strikes or civil disruptions. We may experience disruption in the transportation of raw materials by ship and delivery of the products to our customers due to bad weather conditions. Further, unexpected delays due to delays in obtaining customs clearance for raw materials imported by us or products exported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Any failure to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions.

**11. The titles of our registered office are not in the name of the Company and in the event need be arise, we may not be able to use the premises during the time without incurring any extra cost.**

Our Company was earlier incorporated as a partnership firm in the name and style of M/s. Padmasree Enterprise (the firm) and our present registered office at BB-31, BHEL, Ancillary Industrial Estate, Ramchandrapuram, Hyderabad-502032, Telangana (the Premises) was acquired in the name of the firm. The firm was later converted in the name and style of Innomet Advanced Materials Private Limited (the Company) pursuant to which all the assets (movable and immovable) got vested into the Company. The

Company however did not get the title of the land transferred in the name of the Company and the premises still stands registered in the name of the erstwhile partnership firm Padmasree Enterprises. Now since a considerable time period has elapsed since the conversion of the firm, we may not be able to get the said premises registered in the name of the Company or at all in which event the Company may not be able to adequately utilize the said premises for the purpose of mortgage while borrowing funds and like.

**12. We are yet to receive No Objection Certificate (NOC) in respect of proposed Initial Public Offer from our Bankers and other Secured Lenders and in case we fail to receive the same before the opening of our issue, we may be required to refund the money borrowed from them before the due date in which event our liquidity shall be adversely affected.**

Although we have applied for grant of NOC from our Bankers and other secured lenders, we are yet to receive them and we are not sure we shall be able to receive it before the opening of the issue or at all. In the event we fail to receive the NOC before the opening of the issue or in case our bankers / secured lenders deny giving NOC to us, we may be required to refund the amount borrowed from them or the lending terms may not be as favorable as they are now. In the event we are required to refund the borrowings before the expiry of the borrowing term, our liquidity may be adversely affected. In the event, borrowing terms are made stringent, our financials may be adversely affected.

*For further details in respect of our secured borrowings, please refer chapter “Restated Financial Statements” beginning at page 171 of this draft prospectus.*

**13. There have been certain non-compliance in past in relation to corporate law matters and we may be subjected to penalty in respect of them in which event our financials may be adversely affected.**

In the Past our Company had borrowed funds from our directors and promoters with an option to convert the said loan into equity shares of equivalent value. Later however the Company allotted 10,00,000 equity shares on March 31, 2022 on rights issue basis and the offer period in respect of same was from March 02, 2022 till March 30, 2022 wherein the funds borrowed with an option to convert was also adjusted against the application money for rights issue instead of conversion. Thus the allotment against the funds so borrowed was wrongly made in terms of Section 62(1)(a) instead of Section 62(3) of the Companies Act, 2013. Although we have not received any notice in this respect till date, we are not sure that any action shall not be taken against us in future or at all and that in any such event we shall not be subjected to any penalty. In the event the Company is subjected to any penalty, the financials of the Company shall be adversely affected.

**14. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially have an adverse effect on our business.**

In the ordinary course of our business, our Company has in the past entered into related party transactions, including Advances and Remuneration paid to Directors and KMPs, and may continue to do so in the future. For details regarding our related party transactions, see “*Financial Information*” on page no 170.

While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Although going forward, all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that we will be able to address such conflicts of interests or others in the future.

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

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the stock exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**16. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.**

We have not declared dividend in the past. For further information, see “*Dividend Policy*” on page 169 of this Draft Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

We may retain all future earnings, if any, for use in the operations and expansion of the 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 in accordance with the dividend distribution policy as may be adopted by our Board from time to time and will depend on factors that our Board deems relevant, including among others, our Company’s profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**17. Our inability to manage the demand of existing product range and our manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.**

Our inability to manage the expansion of our products range and manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to meet existing demand of our product(s) range and manufacturing capacities to pursue the overall potential in market. For details, see Business Strategies in chapter titled as “*Our Business*” on page 112 and details related to existing business, Machinery and capacity and please refer to chapter titled “*Objects of the Issue*” on page 82 of this Draft Prospectus. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce and innovate new products and maintain the quality of our products, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

**18. Our insurance coverage may not be sufficient or adequate to protect us against all material**



**hazards or business losses, which may adversely affect our business, results of operations and financial condition.**

We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

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

Our business requires significant working capital, part of which would be met through additional borrowings in the future. In many cases, significant amounts of working capital are required to finance the procurement of branded products before payments are received from customers. Our working capital requirements may increase, under certain conditions, where payment terms do not include advance payments or include delayed payments from customers. Additionally, our working capital requirements have increased in recent years due to the general growth of our business. All these factors may result, or have resulted, in increases in our working capital needs.

The details of working capital requirements are as follows:

Particulars	As per Restated financial statement				Estimated	Projected
	30-Sep-23*	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-24	31-Mar-25
<b>Current Assets</b>						
Inventories (Stores and Consumables)	880.22	911.64	777.00	678.02	1133.18	1295.30
Trade receivables	263.54	154.32	156.87	131.21	274.46	479.90
Cash and Bank Balances	9.38	0.55	1.86	3.08	31.39	99.10
Short Term Loans and advances	173.96	129.72	28.33	47.01	193.47	215.24
Other Current Assets	31.69	17.44	9.95	5.98	34.85	38.34
<b>Total Current Assets</b>	<b>1358.79</b>	<b>1213.67</b>	<b>974.01</b>	<b>865.30</b>	<b>1667.35</b>	<b>2127.88</b>
<b>Current Liabilities</b>						
Trade payables	239.19	164.09	206.45	178.30	316.99	238.27
Other current liabilities	60.90	41.08	61.76	--	91.35	91.71
Short-term provisions	115.24	136.57	--	44.67	152.21	188.08
<b>Total Current Liabilities</b>	<b>415.33</b>	<b>341.74</b>	<b>268.21</b>	<b>222.97</b>	<b>560.55</b>	<b>518.06</b>

<b>Net Working Capital</b>	<b>943.46</b>	<b>871.93</b>	<b>705.80</b>	<b>642.33</b>	<b>1106.80</b>	<b>1609.82</b>
<b>Sources of Funds</b>						
Short Term Borrowings	497.45	369.86	390.82	384.23	473.17	450.11
Unsecured Loans	373.85	479.57	369.77	85.94	373.85	--
Internal Accruals	72.16	22.5	-54.79	172.16	259.78	--
Proceeds from IPO	--	--	--	--	--	1159.70
<b>Total</b>	<b>943.46</b>	<b>871.93</b>	<b>705.80</b>	<b>642.33</b>	<b>1106.80</b>	<b>1609.81</b>

**20. Any defaults or delay in payment by a significant portion of our customers, may have an adverse effect on our cash flows, results of operations and financial condition.**

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the ordinary course of business, we provide our customers with certain credit periods as part of our payment terms. While we generally limit the credit, we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. We are exposed to credit risk from our operating activities, primarily from trade receivables. Our total receivables as at Rs. 154.32 Lakhs as on March 31, 2023.

Our results of operations and profitability depends on the credit worthiness of our customers. We cannot assure that these customers will always be able to pay us in a timely manner, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Further, any increase in our receivable turnover days or write-offs will negatively affect our business. Any default or delays in payment of receivables by our customers may have adverse effect on cash flows, results of operations and financial condition.

**21. Changes in technology may affect our business by making our equipment or products less competitive or obsolete.**

Our future success will depend in part on our ability to respond to technological advances and emerging textile Industry standards and practices on a cost-effective and timely basis. Changes in technology and product preferences may make newer textile units or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

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

We depend upon information technology systems and third-party software, including internet-based systems, for our business operations, and these systems facilitate the flow of real-time information across departments and allows us to make information driven decisions and manage performance. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Any such disruption may result in the loss of key information and disrupt our operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Although we have not experienced any significant disruptions to, or security breaches of, our information technology systems, we cannot assure you that we will not encounter such disruptions in the future and any such disruptions or security breaches could have an adverse effect on our business and reputation.

**23. Our Object has not been appraised by any Bank or Financial Institution. Any significant**

**deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.**

Our company intends to utilize proceeds from issue for working capital requirements, purchase of machineries, repayment of borrowings, General Corporate Purpose and to fund Public Issue Expenses. We have estimated fund raising to the extent of [●] Lakh to finance the '*Objects of the Issue*' (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates and quotations received from various vendors. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency.

For details of the "*Object of the Issue*", please refer Page no. 82 of this Draft Prospectus.

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

The issue proceeds is entirely at the discretion of the issuer/management. As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**25. We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them.**

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

**26. Our Promoters and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.**

Upon completion of this Issue, our Promoters and Promoters Group will continue to own a majority of our Equity Shares. As a result, our Promoters and Promoters group will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoters and Promoters group will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters and Promoters group could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoters group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page no. 66 of this Draft Prospectus, we cannot assure you that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

**27. We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations.**

We may require additional capital for our business operations. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors including our financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

Further, an increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. An increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

For further details regarding our business refer chapter titled “*Our Business*” on page 112 of this Draft Prospectus.

**28. Certain information contained in this Draft Prospectus is based on management estimates and we cannot assure you of the completeness or accuracy of the data.**

Certain information contained in this draft Prospectus like our funding requirements including proposed working capital requirement assessment, and our proposed use of issue proceeds is based solely on management estimates. The estimated project dates as well as costs may change depending on the circumstances like changes in laws and regulations, competition, irregularities or claims with respect to title of land, the ability of third parties to complete their services, delays, cost overruns or modifications to our ongoing and planned projects. Such circumstances can have an impact on our financial condition and results of operation.

**29. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects 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 Issue*” on page no. 82 of the Draft 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 this may affect our revenues and results of operations.

**30. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Issue Proceed. As on date we have not identified the use of such funds.**

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details please refer the chapter titled “*Objects of the Issue*” beginning on Page No. 82 of this Draft Prospectus.

**31. The requirements of being a listed company may strain our resources and distract management.**

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

#### **EXTERNAL FACTORS:**

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

The Indian economy and its capital markets are influenced by economic, political and market conditions in India and globally including the volatility in the securities markets in other countries. We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy.

Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- Increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war including in India's various neighboring countries;
- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years;
- any act of God and its consequent impact on public and economy;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in India's principal export markets;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;

- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis;
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine, and any other diseases. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depends on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

**33. We and our customers may engage in certain transactions in or with countries or persons that are subject to USA and other sanctions.**

USA law generally prohibits USA persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other USA government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Russia.

Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate USA or other sanctions, we could be subject to USA or other penalties, and our reputation and future business prospects could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as the result of our or our customers' dealings with countries or with persons that are the subject of USA sanctions.

**34. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate, labour and tax laws, may adversely affect our business, results of operations and prospects.**

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect our industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost. Additionally, our loans are subject to specific conditions imposed by the Ministry of Commerce and Industry, GoI and the RBI. In the event of any adverse regulatory development or in the event that we are otherwise not able to secure such loans, we may not be able to benefit from such low interest rates or the ability to fix the price within the specified time frame at the same price at which we sell our products to our customers.

**35. Financial instability in the global or Indian financial markets could adversely affect our results of operations and financial condition and may cause the price of our Equity Shares to decline.**

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in the USA and Asian emerging market countries. Financial turmoil in the global economy has affected the Indian economy in the past. 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 in 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 and could harm our results of operations and financial condition. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("Brexit"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. In addition, China is one of India's major trading partners and there are rising concerns of a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Such developments, or the perception that they could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**36. Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.**

Certain events that are beyond the control of our Company, such as violence, civil unrest, or geopolitical unrest, including those involving India, Russia, Ukraine, the United Kingdom, USA, China or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and the price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our business, results of operations and financial condition.

**37. If inflation rises in India, increased costs may result in a decline in profits.**

India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the GoI and RBI have previously initiated economic measures to combat high inflation rates, and it is

unclear how such measures will impact our business as well as the business of our customers. There can be no assurance that Indian inflation levels will not worsen in the future.

### **38. Our ability to raise foreign capital may be constrained by Indian law.**

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

### **39. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.**

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of the SEBI Regulations. If the transfer of shares 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 Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India may require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained in a timely manner or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade (“DPIIT”), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

### **40. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the NSE may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

Our Equity Shares are expected to trade on the NSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.



There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after the Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

**41. An investment in the Equity Shares is subject to general risks related to investments in Indian companies.**

We are incorporated in India and our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

**42. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.**

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

**43. Third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.**

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be

beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

**44. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.**

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

**45. Investors will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions**

The Equity Shares will be listed on the Emerge platform of NSE. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are credited with the Equity Shares after the Basis of Allotment is approved by the NSE. The Allotment of Equity Shares in the Issue, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the NSE is expected to complete within six Working Days of the Issue Closing Date.

There could be a failure or delay in listing of the Equity Shares on the Emerge platform of NSE. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict your ability to dispose of your Equity Shares. There can be no assurance that the Equity Shares will be credited to your demat account, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**46. There is no assurance that our Equity Shares will remain listed on the Stock Exchange.**

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchange.

**47. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and the sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.**

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options under an employee benefit scheme may lead to dilution of your shareholding in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with the minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares,

which may lead to other adverse consequences including difficulty in raising capital through offering of our equity shares or incurring additional debt.

Except as disclosed in “*Capital Structure*” on page 66, we cannot assure you that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder’s investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

#### **48. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.**

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (“STT”), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. With respect to capital gains arising in an off-market sale, long term capital gains are subject to tax at the rate of 10.00% (plus applicable surcharge and cess) without the exemption of ₹100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15.00% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40.00% (plus applicable surcharge and cess) in the case of foreign companies and 30.00% (plus applicable surcharge and cess) in the case of other non-resident taxpayers. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. The Finance Act, 2019, which amended the Indian Stamp Act, 1899 with effect from July 1, 2020, had clarified that in the absence of a specific provision under an agreement, the buyer shall be liable to pay stamp duty in case of sale of securities through stock exchanges, and the transferor shall be liable to pay stamp duty in case of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Additionally, the Finance Act does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

## SECTION IV – INTRODUCTION

### THE ISSUE

The following table summarizes the present Issue in terms of this Draft Prospectus:

Particulars	Details
Issue of Equity Shares <sup>1)</sup>	Issue of up to 34,24,000* Equity Shares having face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to [●] Lakhs
<b>Out of which:</b>	
Market Maker Reservation Portion	Up to [●] Equity Shares having face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] lakhs
Net Issue to Public <sup>2)</sup>	Up to [●] Equity Shares having face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] lakhs
<b>Out of which:</b>	
	[●] Equity Shares having face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] lakhs will be available for allocation to Retail Individual Investors for up to ₹ 2.00 lakhs.
	[●] Equity Shares having face value of ₹10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] lakhs will be available for allocation to other investors for above ₹ 2.00 lakhs.
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares Outstanding prior to the Issue	95,16,538 Equity Shares having face value of ₹10 each fully paid-up
Equity Shares Outstanding after the Issue	[●] Equity Shares having face value of ₹10 each fully paid-up
Use of Net Proceeds by Our Company	Please refer the chapter titled “ <b>Objects of the Issue</b> ” beginning on page 82 of this Draft Prospectus.

\*Assuming full allotment

<sup>1)</sup> The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on December 15, 2023 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM held on January 10, 2024.

<sup>2)</sup> This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, the allocation in the net Issue to the public category shall be made:

- a) *Minimum fifty percent to retail individual investors; and*
- b) *Remaining to;*
  - (i) *individual applicants other than retail individual investors; and*
  - (ii) *other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.*

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

***Explanation*** - *For the purpose of Regulation 253(2), if the retail individual investor category is entitled to more than fifty percent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*For further details, please refer to chapter titled “**Issue Information**” on page 244 of this Draft Prospectus.*

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth a summary of financial information derived from the Restated Financial Statements. The Restated Financial Statements has been prepared, based on financial statements for the Fiscals 2023, 2022 and 2021 as well as for a period ended September 30, 2023. The Restated Financial Statements have been 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) issued by the ICAI, together with the schedules, notes and annexure thereto, are presented in the section entitled “*Financial Information*” on page 170 on this Draft Prospectus.

The summary financial information presented below should be read in conjunction with the chapters titled “*Restated Financial Statement*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 171 and 207 respectively of this Draft Prospectus.

*(The remainder of this page is intentionally left blank)*

Annexure 1						
Statements of Assets and Liabilities as Restated						
(Amount in Lakhs)						
Particular		As at September, 2023	As at March, 2023	As at March, 2022	As at March, 2021	
<b>I</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>1</b>	<b>Shareholder's Fund</b>				
	a)	Share Capital	951.65	288.32	288.32	188.32
	b)	Reserve and Surplus	471.80	417.62	91.46	42.27
	<b>2</b>	<b>Non-current liabilities</b>				
	a)	Long Term Borrowings	713.91	839.64	550.14	403.18
	b)	Other Long Term Liabilities	-	-	-	-
	c)	Long Term Provision	-	-	-	-
	<b>3</b>	<b>Current liabilities</b>				
	a)	Short Term Borrowings	497.45	369.86	390.82	384.23
	b)	Trade Payable	239.19	164.09	206.45	178.30
	c)	Other Current Liabilities	60.90	41.09	21.21	-
	d)	Short Term Provision	115.24	136.57	-	44.67
		<b>Total</b>	<b>3050.14</b>	<b>2257.19</b>	<b>1588.95</b>	<b>1240.97</b>
<b>II</b>	<b>ASSETS</b>					
	<b>1</b>	<b>Non-current assets</b>				
	a)	Property, Plant and Equipment and Intangible Assets	1581.66	957.23	530.61	314.47
	b)	Non-Current Investments	-	-	-	-
	c)	Deferred Tax Assets (net)	-	-	-	-
	d)	Long Term Loans and Advances	46.79	25.08	23.13	-
	e)	Other Non-Current Assets	62.90	61.20	61.20	61.20
	<b>2</b>	<b>Current assets</b>				
	a)	Inventories	880.22	911.64	777.00	678.02

	b)	Trade Receivables	263.54	154.32	156.87	131.21
	c)	Cash and Cash Equivalents	9.38	0.55	1.86	3.08
	d)	Short-Term Loans and Advances	173.96	129.73	28.33	47.01
	e)	Other Current Assets	31.69	17.45	9.95	5.98
		<b>Total</b>	<b>3050.14</b>	<b>2257.19</b>	<b>1588.95</b>	<b>1240.97</b>

<b>Annexure 2</b>					
<b>Statements of Profit and Loss as Restated</b>					
<b>(Amount in Lakhs)</b>					
<b>Particular</b>		<b>As at September, 2023</b>	<b>As at March, 2023</b>	<b>As at March, 2022</b>	<b>As at March, 2021</b>
<b>I</b>	Revenue From Operations	1531.31	2712.93	2238.42	1243.78
<b>II</b>	Other Income	57.53	1.85	1.94	8.52
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>1588.84</b>	<b>2714.78</b>	<b>2240.35</b>	<b>1252.31</b>
<b>IV</b>	<b>Expenses</b>				
	Cost of Material Consumed	894.84	1485.57	1632.90	794.46
	Changes in Inventories of finished goods, work-in-progress, and Stock-in-trade	-	(165.61)	(66.58)	-
	Employee Benefits Expenses	68.02	121.45	148.18	103.66
	Finance Costs	46.02	94.60	84.13	71.34
	Depreciation and Amortization Expenses	23.60	43.88	32.27	29.81
	Other Expenses	353.01	698.89	354.29	232.92
	<b>Total Expenses</b>	<b>1385.49</b>	<b>2278.77</b>	<b>2185.18</b>	<b>1232.19</b>
<b>V</b>	<b>Profit before tax (III- IV)</b>	<b>203.35</b>	<b>436.01</b>	<b>55.17</b>	<b>20.12</b>
<b>VI</b>	Prior Period Item	-	-	-	-
<b>VII</b>	Extraordinary Items	-	-	-	-
<b>VIII</b>	<b>Profit before tax (V+VI)</b>	<b>203.35</b>	<b>436.01</b>	<b>55.17</b>	<b>20.12</b>
<b>IX</b>	Tax Expense				
	a) Current Tax	-	114.45	-	-



	b)	Deferred Tax	-	-	-	-
	c)	Short/Excess Provision of Last Year	-	-	-	-
<b>X</b>		<b>Profit (Loss) for the period (XI + XIV)</b>	<b>203.35</b>	<b>321.55</b>	<b>55.17</b>	<b>20.12</b>
		Earnings per equity share				
		Basic and Diluted	2.14	11.15	1.91	1.07

<b>Annexure 3</b>					
<b>Statements of Cash Flow as Restated</b>					
<b>(Amount in Lakhs)</b>					
<b>Particular</b>		<b>As at September, 2023</b>	<b>As at March, 2023</b>	<b>As at March, 2022</b>	<b>As at March, 2021</b>
<b>I</b>	<b>Cash flow from Operating Activities:</b>				
	Net Profit Before tax as per Statement of Profit & Loss	203.35	436.01	55.17	20.12
	Adjustments for:				
	Depreciation & Amortisation Exp.	23.60	43.88	32.27	29.81
	Interest Income	-	-	-	-
	Finance Cost	-	-	-	-
	Loss on Sale of Assets	-	-	-	-
	<b>Operating Profit before working capital changes</b>	<b>226.95</b>	<b>479.89</b>	<b>87.44</b>	<b>49.93</b>
	<b>Changes in operating assets and liabilities:</b>				
	Other Long-Term Liabilities	-	-	-	-
	Long Term Provisions	-	-	-	-
	Trade Payable	75.11	(42.36)	28.15	77.88
	Other Current Liabilities	19.82	19.88	21.21	-
	Short Term Provisions	(21.34)	136.57	(44.67)	24.27
	Inventories	31.41	(134.64)	(98.98)	(172.65)
	Trade Receivables	(109.22)	2.55	(25.66)	3.95

	Short term loans & advances	(44.23)	(101.40)	(28.33)	54.58
	Other Current Assets	(14.24)	(7.50)	43.05	(50.54)
	<b>Income Tax Adjustment</b>	-	-	-	-
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>164.26</b>	<b>352.99</b>	<b>(17.79)</b>	<b>(12.58)</b>
II	Cash flow from investing Activities				
	Purchase/Sale of Fixed Assets (Net)	-	-	-	-
	Long term loans and advances	(21.71)	(1.95)	(23.13)	-
	Other Non-current Assets	(1.70)	-	-	-
	Purchase of fixed assets	(648.02)	(470.50)	(248.41)	(68.83)
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(671.43)</b>	<b>(472.44)</b>	<b>(271.54)</b>	<b>(68.83)</b>
III	Cash Flow From Financing Activities				
	Changes in Equity	-	-	-	-
	Changes in Borrowing				
	Long term borrowings	(125.73)	248.95	187.52	94.99
	Short term borrowings	127.58	(20.95)	6.59	(10.63)
	Proceeds from issuance of capital	514.15	(109.84)	94.02	(4.69)
	Movement in Loan & Advances and Other Assets				
	Long Term	-	-	-	-
	Interest Income	-	-	-	-
	Short Term	-	-	-	-
	Finance Cost	-	-	-	-
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>516.00</b>	<b>118.15</b>	<b>288.13</b>	<b>79.67</b>
IV	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>8.83</b>	<b>(1.30)</b>	<b>(1.21)</b>	<b>(1.75)</b>
	<b>Opening Balance</b>	<b>0.55</b>	<b>1.86</b>	<b>3.08</b>	<b>4.82</b>
	<b>Closing Balance</b>	<b>9.38</b>	<b>0.55</b>	<b>1.86</b>	<b>3.08</b>
	<b>Total Cash Balance</b>	<b>9.38</b>	<b>0.55</b>	<b>1.86</b>	<b>3.08</b>

## GENERAL INFORMATION

Our Company was originally formed as a partnership firm under the name and style of “M/s. Padmasree Enterprises” pursuant to a deed of partnership dated March 07, 1984, as amended from time to time. M/s. Padmasree Enterprises was thereafter converted into a private limited Company “Innomet Advanced Materials Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013, fresh certificate of incorporation dated April 24, 2019 was issued by Registrar of Companies, Central Registration Centre. Subsequently, the name of our Company was changed to “Innomet Advanced Materials Limited” upon conversion to a public limited company pursuant to a Board resolution dated September 07, 2023 and a resolution passed in the extra-ordinary general meeting of the shareholders held on September 18, 2023 and consequently a Fresh Certificate of Incorporation dated November 9, 2023 was issued by the Registrar of Companies, Hyderabad.

### Registered Office of our Company

#### **INNOMET ADVANCED MATERIALS LIMITED**

B-31, Bhel Ancillary Industrial Estate,  
Ramachandrapuram, Medak,  
Hyderabad-502032, Telangana, India

**Telephone:** +91 04023021726

**E-mail:** [CS@innomet.net](mailto:CS@innomet.net)

**Investor grievance id:** [invest.rel@innomet.net](mailto:invest.rel@innomet.net)

**Website:** [www.innomet.net](http://www.innomet.net)

**CIN:** U27101TG2019PLC132262

**Registration Number:** 132262

For details of changes to our registered office, see “*History and Corporate Structure*” on page 135 of this Draft Prospectus.

### Designated Stock Exchange

National Stock Exchange of India Limited.

Plaza, C/1, G Block BKC, Bandra Kurla Complex, Bandra East, Mumbai-400051,  
Maharashtra.

Website: [www.nseindia.com](http://www.nseindia.com)

### Registrar of Companies

Our Company is registered with the Registrar of Companies, Hyderabad situated at the following address:

#### **Registrar of Companies, Hyderabad**

2<sup>ND</sup> Floor, Corporate Bhawan, GSI Post,  
Tattiannaram, Bandlaguda, Nagole  
Hyderabad-500068, Telangana.

### Board of Directors of our Company

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

Sr. No.	Name	Designation	DIN	Address
1.	Chilakapati Lakshmi Kanthamma	Director	08432016	H.No- 202, Block A, Aparna Sarovar, Nallagandla Serilingampally, Lingampalli, K. V. Rangareddy, Hyderabad- 500019, Telangana, India
2.	Saritha Devi Chilakapati	Whole Time Director	08432017	A-201, Aparna Sarovar, Kancha Gachibowli, Nallagandla, Gopanpally, Hyderabad- 500107, Telangana India
3.	Vinay Choudary Chilakapati	Managing Director	08444644	A-201, Aparna Sarovar, Kancha Gachibowli, Nallagandla, Gopanpally, K.V. Rangareddy, Hyderabad- 500107, Telangana, India
4.	Ramakrishna Rao Poda	Non-Executive Independent Director	10294095	4-39A27, Nandi Organo, Aziz Nagar, K.V. Rangareddy, Hyderabad-500075, Telangana, India
5.	Venkata Bhaskara Rao Chadalavada	Non-Executive Independent Director	00931901	Plot No.23, Navnirman Nagar, Road No. 71, Behind Jubilee Hills Public School, Jubilee Hills, Shaikpet, Hyderabad-500033 Telangana, India
6.	Abhiram Kolli	Non-Executive Independent Director	09567136	F-159, OCC Colony, Devapur, Devapur Cement Works, Adilabad -504218, Telangana, India

For further details of our Directors, please refer to the chapter titled “*Our Management*” on page 141 of the Draft Prospectus.

#### **Chief Financial Officer**

##### **Saritha Devi Chilakapati**

A-201, Aparna Sarovar,  
Kancha Gachibowli, Nallagandla,  
Gopanpally, Hyderabad- 500046, Telangana India

**Contact No-** +91 9848085990

**Email-** [saritha@innomet.net](mailto:saritha@innomet.net)

#### **Company Secretary and Compliance Officer**

##### **Aanchal Sethia**

Malagnj Road 67/3 Lodhi Pura, Sirpur  
Indore-452002, Madhya Pradesh, India.

**Contact No. -** +91 04023021726

**Email-** [cs@innomet.net](mailto:cs@innomet.net)

#### **Investor grievances**

**Applicants may contact the Company Secretary and Compliance Officer, the Lead Manager 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

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 3 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, SCSBs are required to compensate the investor immediately on the receipt of complaint.

All grievances relating to applications submitted through the registered broker and/or a stockbroker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

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

#### Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager	Registrar to the Issue
<p><b>Expert Global Consultants Private Limited</b> 1511, RG Trade Tower Netaji Subhash Place, Pitampura - 110 034, New Delhi, India <b>SEBI Registration Number:</b> INM000012874 <b>CIN:</b> U74110DL2010PTC205995 <b>Contact Person:</b> Mr. Gaurav Jain <b>Telephone:</b> 011 4509 8234 <b>Email ID:</b> <a href="mailto:ipo@expertglobal.in">ipo@expertglobal.in</a> <b>Website:</b> <a href="http://www.expertglobal.in">www.expertglobal.in</a> <b>Investor Grievance Id:</b> <a href="mailto:compliance@expertglobal.in">compliance@expertglobal.in</a></p>	<p><b>Skyline Financial Services Private Limited</b> A/506, Dattani Plaza, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai – 400 072, Maharashtra, India <b>SEBI Registration No. :</b> INR000003241 <b>CIN:</b> U74899DL1995PTC071324 <b>Contact Person:</b> Mr. Anuj Rana <b>Tel:</b> +91 22 2851 1022 <b>E-mail:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Investor Grievance Email:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a></p>
Legal Advisor to the Issue	Statutory and Peer Review Auditor
<p><b>Asha Agarwal &amp; Associates</b> Plot No.118, Shila Vihar, Gokulpura, Kalwar Road, Jhotwara, Jaipur-302012 Rajasthan, India <b>Contact Person:</b> Ms. Nisha Agarwal <b>Tel:</b> +91 9950933137 <b>Email:</b> <a href="mailto:ashaagarwalassociates@gmail.com">ashaagarwalassociates@gmail.com</a></p>	<p><b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Contact Person:</b> CA Vasant Kumar K B M <b>Telephone:</b> +91- 9963228949 <b>Membership No.:</b> 215929 <b>Firm Registration No.:</b> 011317N <b>Peer Review Certificate No.:</b> 012124 <b>Email:</b> <a href="mailto:vasanth@grandmarkca.com">vasanth@grandmarkca.com</a></p>

### **Banker to our Company**

#### **State Bank of India**

SME Balkampet, 7-1-397/3, Royal Arcadia, Balkampet Road, Sanjeeva Reddy Nagar, Balkampet-500038, Hyderabad, Telangana, India

**Contact Person:** Mr. Uday Kumar

**Telephone:** +91 9711585921

**Email:** [sbi.63783@sbi.co.in](mailto:sbi.63783@sbi.co.in)

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

### **Banker / Sponsor Bank / Refund Bank to the Issue**

The Banker / Sponsor Bank / Refund Bank to the Issue shall be appointed prior to filing of the Prospectus.

### **Designated Intermediaries**

#### ***Self-Certified Syndicate Banks***

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time.

#### ***Registered Brokers***

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers 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](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### ***Registrar and Share Transfer Agent***

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### ***Collecting Depository Participants***

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such

as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on CDP, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **Statement of Inter-se Allocation of Responsibilities**

Expert Global Consultants Private Limited being sole Lead Manager to this offer, all the responsibilities relating to co-ordination and other activities in relation to the offer shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

### **IPO Grading**

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

### **Credit Rating**

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

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Brokers to the Issue**

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

### **Debenture Trustees**

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

### **Monitoring Agency**

As the Net Proceeds of the Issue will be less than ₹10,000 lacs, under Regulation 262(1) of the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

### **Expert**

Except for the report of the Auditor on statement of special tax benefits and report on restated financial statements for the financial year ended March 31, 2023, 2022 and 2021 as well as for a period ended September 30, 2023 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

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

### **Filing**

A soft copy of this Draft Prospectus has been and a soft copy of the Prospectus will be filed with EMERGE Platform of NSE Limited. The Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR Regulations.

However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus shall be filed online with the SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

### Underwriting Agreement

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% underwritten. After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter will be several and will be subject to certain conditions specified therein:

The Underwriter have indicated their intention to underwrite the following number of Equity Share:

(₹ in lakhs)

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[•]	[•]	[•]	[•]

In terms of Regulation 260(1) of the SEBI ICDR Regulations, the initial public offer shall be underwritten for hundred per cent (100%) of the Issue and shall not be restricted up to the minimum subscription level. As per Regulation 260(2) of SEBI ICDR Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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

### Change in Statutory Auditors during the last three (3) years

Following changes have been made in our Company's auditors in the last three (3) years.

Particulars	Date of change	Reasons for change
<b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Telephone Number:</b> +91-7207876108, +91- 9963228949 <b>Email:</b> vasanth@grandmarkca.com <b>Firm registration number:</b> 011317N <b>Peer review number:</b> 012124	19/08/2023	Auditor appointed in 4 <sup>th</sup> Annual General Meeting held on August 19, 2023 to hold office from conclusion of 4 <sup>th</sup> Annual General meeting to 9 <sup>th</sup> Annual General Meeting.
<b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants	10/07/2023	Auditor appointed in Extra Ordinary General Meeting held



Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Telephone Number:</b> +91- 9963228949 <b>Email:</b> vasanth@grandmarkca.com <b>Firm registration number:</b> 011317N <b>Peer review number:</b> 012124		on July 10, 2023 to hold office till the conclusion of 4 <sup>th</sup> Annual General Meeting.
<b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Telephone Number:</b> +91-7207876108, +91- 9963228949 <b>Email:</b> vasanth@grandmarkca.com <b>Firm registration number:</b> 011317N <b>Peer review number:</b> 012124	09/07/2023	Auditor appointment recommended by Board of Directors in Board Meeting held on July 09, 2023 to hold office till the conclusion of 4 <sup>th</sup> Annual General Meeting.
<b>P Mohan Rao &amp; Co.,</b> Chartered Accountants Flat No. 403, Yousufguda Road, Ameerpet, Hyderabad- 500016, Telangana, India <b>Telephone Number:</b> +91 9246156142 <b>Email:</b> <a href="mailto:pinninti_m@rediffmail.com">pinninti_m@rediffmail.com</a> <b>Firm Registration Number:</b> 009673S <b>Peer review number:</b> NA	30/06/2023	Resignation due to Pre-Occupation

#### Details of Market Making Arrangement for the Issue

Our Company and the Lead Manager has entered into a Market Making Agreement dated [•] with the following Market Maker for fulfilling the Market Making obligations under this Issue:

**Name:**

**Address:** [•]

**Telephone:** [•]

**E-mail:** [•]

**Contact Person:** [•]

**SEBI Registration No.:** [•]

**Market Maker Registration No.:** [•]

The Market Making arrangement through the Market Maker shall be carried out in accordance with SEBI ICDR Regulations 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 proposed Market Making arrangement:

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
- 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 Issue their holding to the Market Maker(s) (individually or

jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- The Market Maker shall start provide quotes from the date of the listing and shall be subject to the guidelines laid down for market making by the exchange.
- The Market Maker shall agree to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI ICDR Regulations as amended from time to time.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a Three-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 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.

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018.

Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement shall be available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

**Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

**Punitive Action in case of default by Market Makers:** 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 Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These

penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market maker issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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.

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

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>
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 Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.

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

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Prospectus is set forth below:

(Amount in ₹ except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price*
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,40,00,000 Equity Shares having face value of ₹ 10/- each	14,00,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	95,16,538 Equity Shares having face value of ₹ 10/- each	9,51,65,380	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Fresh Issue of 34,24,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ [•]/- per Equity Share aggregating up to ₹ [•]	3,42,40,000	[•]
	<b>Which comprises:</b>		
	[•] Equity Shares of ₹ 10/- each for cash at a price of ₹ [•]/- per Equity Share reserved as Market Maker Portion	[•]	[•]
	Net Issue to Public of [•] Equity Shares of ₹ 10/- each for cash at a price of ₹ [•]/- per Equity Share to the Public	[•]	[•]
	<b>Out Of which<sup>(2)</sup>:</b>		
	Up to [•] Equity Shares of ₹ 10/- each for cash at a price of ₹ [•]/- per Equity Share, i.e. 50% of the Net Issue shall be available for allocation to Retail Individual Investors of up to ₹ 2.00 lakhs	[•]	[•]
	Up to [•] Equity Shares of ₹ 10/- each for cash at a price of ₹ [•]/- per Equity Share, i.e. 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors of above ₹ 2.00 lakhs	[•]	[•]
	<b>D Issued, Subscribed and Paid-up Share Capital after the Issue*</b>		
	[•] Equity Shares of face value of ₹ 10/- each		[•]
	<b>E. Securities Premium Account</b>		
	Before the Issue (as on the January 31, 2024)		2,43,54,429 <sup>(3)</sup>
	After the Issue*		[•]

\*To be updated upon finalization of the Issue Price and subject to the Basis of Allotment.

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated December 15, 2023 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated January 10, 2024 under Section 62(1)(c) of the Companies Act, 2013.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the 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.

<sup>(3)</sup> As certified by the statutory auditor M/s G R A N D M A R K & Associates, Chartered Accountants vide its certificate dated February 1, 2024.

### Classes of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respect.

Our Company does not have any partly paid-up equity shares. All Equity Shares issued are fully paid-up as on date of this Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Changes in Authorised Equity Share Capital of Our Company:

The initial authorised capital of our Company was ₹ 1,88,32,480/- (Rupees One Crore Eighty Eight Lakhs Thirty Two Thousands Four Hundred Eighty only ) consisting of 18,83,248 (Eighteen Lakhs Eighty Three Thousands Two Hundred Forty Eight only) Equity Shares of ₹ 10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
March 03, 2022	₹ 1,88,32,480/- (Rupees One Crore Eighty Eight Lakhs Thirty Two Thousands Four Hundred Eighty only) divided into 18,83,248 (Eighteen Lakhs Eighty Three Thousands Two Hundred Forty Eight only) Equity Shares of ₹ 10/- each	₹ 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs only) Equity Shares of ₹ 10/- each	EGM
August 19, 2023	₹ 3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 (Thirty Lakhs only) Equity Shares of ₹ 10/- each	₹ 14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lakhs Only) Equity Shares of ₹ 10/- each	AGM

#### 2. Share Capital History of our Company

##### Equity Share capital

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face value (₹)	Issue Price per equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
April 24, 2019 <sup>(1)</sup>	18,83,248	10	10	Cash	Initial Subscription to our MOA	18,83,248	1,88,32,480
March 31, 2022 <sup>(2)</sup>	10,00,000	10	10	Cash	Right Issue	28,83,248	2,88,32,480
August 24, 2023 <sup>(3)</sup>	10,44,000	10	19	Other than Cash	Preferential Allotment	39,27,248	3,92,72,480
September 04, 2023 <sup>(4)</sup>	39,27,248	10	-	NA	Bonus Issue in the proportion of 1 new bonus equity share Rs.10/- for every 1 existing equity shares held by the existing shareholders as on record date September 04, 2023	78,54,496	7,85,44,960
September 20, 2023 <sup>(5)</sup>	10,30,526	10	19	Other than Cash	Sweat Equity	88,85,022	8,88,50,220
September 20, 2023 <sup>(6)</sup>	6,31,516	10	19	Other than Cash	Conversion of Compulsory Convertible Debentures;	95,16,538	9,51,65,380

<sup>(1)</sup>Initial Subscription of the MOA for the total of 18,83,248 Equity Shares by Lakshmi Kanthamma Chilakapati (6,94,780 Equity Shares), Saritha Devi Chilakapati (11,76,580 Equity Shares), Vinay Choudary Chilakapati (2,377 Equity Shares), Harinath Prasad Chilakapati (2,377 Equity Shares), Sai Babu Kothapalli (2,377 Equity Shares), Asha Latha Kolli (2,377 Equity Shares) and Balaji Kolli (2,380 Equity Shares).

<sup>(2)</sup>Rights Issue of a total of 10,00,000 Equity Shares to Lakshmi Kanthamma Chilakapati (5,10,000 Equity Shares) and Saritha Devi Chilakapati (4,90,000 Equity Shares)

<sup>(3)</sup>Preferential Issue of a total of 10,44,000 Equity Shares to Lakshmi Kanthamma Chilakapati (5,32,440 Equity Shares) and Saritha Devi Chilakapati (5,11,560 Equity Shares)

<sup>(4)</sup>Bonus Issue of a total of 39,27,248 Equity Shares to Lakshmi Kanthamma Chilakapati (20,02,897 Equity Shares) Saritha Devi Chilakapati (19,24,351 Equity Shares)

- <sup>(5)</sup> Sweat Issue of Equity Shares of a total of 10,30,526 Equity Shares to Vinay Choudary Chilakapati (5,26,316 Equity Shares), Saritha Devi Chilakapati (2,10,526 Equity Shares), K. Sai Babu (2,10,526 Equity Shares), K. Ramesh (12,632 Equity Shares), Y. Parthasaradhi (16,842 Equity Shares), G.V. Murali Krishna (4,211 Equity Shares), I. Srinivas Rao (10,526 Equity Shares), N.V. Yugandar (7,368 Equity Shares), D. Sreenivas (7,368 Equity Shares), N. Ramesh (2,105 Equity Shares), S. Neeraja (5,263 Equity Shares), N. Haritha (5,263 Equity Shares), I. Srisresha (5,263 Equity Shares), Lalitha (4,211 Equity Shares), Krishnaveni (1,053 Equity Shares) and D. Sudhakar (1,053 Equity Shares)
- <sup>(6)</sup> Issue of a total of 6,31,516 Equity Shares to Vinod Aachi (2,63,158 Equity Shares) and Venu Madhav Palaparathi (3,68,358 Equity Shares) by conversion of Compulsory Convertible Debentures.

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

Except as set forth below, we have not issued Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation reserves:

Date of allotment	Number of Equity Shares allotted	Name of the Allottees	Face value (₹)	Issue price Per equity share (₹)	Reasons for allotment	Benefits if any that have accrued to the Company
August 24, 2023	10,44,000	Allotment of (i) 5,32,440 Equity Shares to Lakshmi Kanthamma Chilakapati (ii) 5,11,560 Equity Shares to Saritha Devi Chilakapati	10	19	Preferential Allotment pursuant to Purchase of Intangible assets- Trademarks	Purchase of Intangible assets- Trademarks
September 04, 2023	39,27,248	Allotment of (i) 20,02,897 Equity Shares to Lakshmi Kanthamma Chilakapati (ii) 19,24,351 Equity Shares to Saritha Devi Chilakapati	10	-	Bonus Issue in the proportion of 1 new bonus equity share Rs.10/- for every 1 existing equity shares held by the existing shareholders as on record date September 04, 2023	-
September 20, 2023	10,30,526	Allotment of (i) 5,26,316 Equity Shares to Vinay	10	19	Sweat Equity	Contribution of services,

Date of allotment	Number of Equity Shares allotted	Name of the Allottees	Face value (₹)	Issue price Per equity share (₹)	Reasons for allotment	Benefits if any that have accrued to the Company
		Choudary Chilakapati (ii) 2,10,526 Equity Shares to Saritha Devi Chilakapati (iii) 2,10,526 Equity Shares to K. Sai Babu (iv) 12,632 Equity Shares to K. Ramesh, (v) 16,842 Equity Shares to Y. Parthasaradhi (vi) 4,211 Equity Shares to G.V. Murali Krishna (vii) 10,526 Equity Shares to I. Srinivas Rao (viii) 7,368 Equity Shares to N.V. Yugandar (ix) 7,368 Equity Shares to D. Sreenivas (x) 2,105 Equity Shares to N. Ramesh (xi) 5,263 Equity Shares to S. Neeraja (xii) 5,263 Equity Shares to N. Haritha (xiii) 5,263 Equity Shares to I. Srisessa, (xiv) 4,211 Equity Shares to Lalitha (xv) 1,053 Equity Shares to Krishnaveni (xvi) 1,053 Equity shares to D. Sudhakar				experience and value addition to the company and its growth by the Employees and Directors of the Company
September 20, 2023	6,31,516	Allotment of (i) 2,63,158 Equity Shares to Vinod Aachi and (ii) 3,68,358 Equity Shares to Venu Madhav Palaparthi	10	19	Conversion of Compulsory Convertible Debentures	Repayment of debt without affecting liquidity of the company



4. As of date of this Draft Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
5. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. However, the company through Sweat Issue of Equity Shares had allotted 10,30,526 Equity Shares at a price of ₹19 per share to its eligible employees and such shares will be lock in for a period of 3 years. There are 16 eligible employees out of which one employee is under category of promoter and one employee is under category of promoter group and balance 14 employees will be considered under public category.
6. Except for allotments made on August 24, 2023, September 04, 2023 and September 20, 2023, Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Prospectus.
7. **Shareholding Pattern of our Company**

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

**Table I - SUMMARY STATEMENT HOLDING OF SPECIFIED SECURITIES**

Category (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up Share held (IV)	No. of Partly paid-up equity Share held (V)	No. of underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+VI)	Share holding as a % of total no. of shares (calculated as per SCRR,1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(V II)+(X) As a % of	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Equity	Class Others								
(A)	<b>Promoter &amp; Promoter Group</b>	3	85,91,338	-	-	85,91,338	90.28%	85,91,338	-	85,91,338	90.28%	-	7,36,842	8.58%	-	-	85,91,338

(B) <b>Public</b>	16	9,25,200	-	-	9,25,200	9.72%	9,25,200	-	0	%	-	9.72%	2,93,684	31.74%	-	-	9,25,200
(C) <b>Non Promoter-Non Public</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) <b>Shares underlying DRs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) <b>Shares held by Employee Trusts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	16	95,16,538	-	-	95,16,538	100.00	95,16,538	-	0	100.00	-	100.00	10,30,526	10.82%	-	-	95,16,538

**Notes-**

1. As on date of this Draft Prospectus 1 Equity share holds 1 vote. We have only one class of Equity Shares of face value of ₹ 10/- each. We have entered into tripartite agreement with CDSL & NSDL.
2. Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the Stock Exchange before commencement of trading of such Equity Shares.

## 8. Other details of shareholding of our Company:

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 100% of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Saritha Devi Chilakapati	40,59,228	42.65%
2.	Lakshmi Kanthamma Chilakapati	40,05,794	42.09%
3.	Vinay Choudary Chilakapati	5,26,316	5.53%
4.	Venu Madhav Palaparathi	3,68,358	3.87%
5.	Vinod Aachi	2,63,158	2.77%
6.	K. Sai Babu	2,10,526	2.21%
	<b>Total</b>	<b>94,33,380</b>	<b>99.13%</b>

- b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Saritha Devi Chilakapati	40,59,228	42.65%
2.	Lakshmi Kanthamma Chilakapati	40,05,794	42.09%
3.	Vinay Choudary Chilakapati	5,26,316	5.53%
4.	Venu Madhav Palaparathi	3,68,358	3.87%
5.	Vinod Aachi	2,63,158	2.77%
6.	K. Sai Babu	2,10,526	2.21%
	<b>Total</b>	<b>94,33,380</b>	<b>99.13%</b>

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (1) year prior to the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Lakshmi Kanthamma Chilakapati	14,70,457	15.45%
2.	Saritha Devi Chilakapati	14,12,791	14.85%
	<b>Total</b>	<b>28,83,248</b>	<b>30.30%</b>

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (2) years prior to filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Lakshmi Kanthamma Chilakapati	9,60,457	10.09%
2.	Saritha Devi Chilakapati	9,22,791	9.70%
	<b>Total</b>	<b>18,83,248</b>	<b>19.79%</b>

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 2 (two) years from the date of this Draft Prospectus.
9. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity share to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

## 10. Shareholding of our Promoters

As on the date of this Draft Prospectus, Our Promoters Lakshmi Kanthamma Chilakapati and Saritha Devi Chilakapati collectively holds 80,65,022 Equity Shares of our Company.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment / Transfer	No. of Shares	Face Value (₹)	Issue / Transfer Price (₹)	Nature of Transaction	Consideration	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
<b>Lakshmi Kanthamma Chilakapati</b>							
April 24, 2019	6,94,780	10	10	Initial Subscriber	Cash	7.30%	[•]
May 2, 2019	2,53,789	10	10	Transfer from Saritha Devi Chilakapati	Cash	2.67%	[•]
May 2, 2019	2,377	10	10	Transfer from Vinay Choudary Chilakapati	Cash	0.02%	[•]
May 2, 2019	2,377	10	10	Transfer from Harinath Prasad Chilakapati	Cash	0.02%	[•]
May 2, 2019	2,377	10	10	Transfer from Sai Babu Kothapalli	Cash	0.02%	[•]

May 2, 2019	2,377	10	10	Transfer from Asha Latha Kolli	Cash	0.02%	[•]
May 2, 2019	2,380	10	10	Transfer from Balaji Kolli	Cash	0.02%	[•]
March 31, 2022	5,10,000	10	10	Right Issue	Cash	5.36%	[•]
August 24, 2023	5,32,440	10	19	Preferential Issue	Other Than Cash	5.59%	[•]
September 04, 2023	20,02,897	10	10	Bonus Issue	-	21.05%	[•]
<b>Total</b>	<b>40,05,794</b>					<b>42.09%</b>	<b>[•]</b>

Saritha Devi Chilakapati							
April 24, 2019	11,76,580	10	10	Initial Subscriber	Cash	12.36%	[•]
May 2, 2019	-2,53,789	10	10	Transfer to Lakshmi Kanthamma Chilakapati	Cash	-2.67%	[•]
March 31, 2022	4,90,000	10	10	Right Issue	Cash	5.15%	[•]
August 24, 2023	5,11,560	10	19	Preferential Issue	Other Than Cash	5.38%	[•]
September 04, 2023	19,24,351	10	10	Bonus Issue	-	5.38%	[•]
September 20, 2023	2,10,526	10	19	Sweat Equity	Other than Cash	20.22%	[•]
<b>Total</b>	<b>40,59,228</b>					<b>42.65%</b>	<b>[•]</b>

All the Equity Shares allotted to the Promoter as given above were fully paid up as on the date of such allotment. Further, none of the shares have been pledged with any bank/ financial institution and/ or with anybody else.

11. As on the date of the Draft Prospectus, the Company has 19 (Nineteen) members/shareholders.

12. The aggregate shareholding of the Promoters and Promoter group:

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue		
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post Issue Equity Share Capital	
<b>Promoter</b>						
1.	Lakshmi Kanthamma Chilakapati	40,05,794	42.09%	40,05,794		[•]

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post Issue Equity Share Capital
<b>Promoter</b>					
2.	Saritha Devi Chilakapati	40,59,228	42.65%	40,59,228	[•]
<b>Promoter Group</b>					
1.	Vinay Chowdhary Chilakapati	5,26,316	5.53%	5,26,316	[•]
	<b>Total</b>	<b>85,91,338</b>	<b>90.28%</b>	<b>85,91,338</b>	<b>[•]</b>

13. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus.

Date of allotment / transfer	Name of allottee / transferee	Category	No. of Equity Shares allotted / transferred	Face Value (₹)	Issue Price (₹)	Nature of transaction
August 24, 2023	Lakshmi Kanthamma Chilakapati	Promoter	5,32,440	10	19	Preferential Allotment
August 24, 2023	Saritha Devi Chilakapati	Promoter	5,11,560	10	19	
September 04, 2023	Lakshmi Kanthamma Chilakapati	Promoter	20,02,897	10	-	Bonus Issue in the ratio 1 new bonus equity share for every 1 existing equity shares held by the existing shareholders as on record date September 04, 2023
September 04, 2023	Saritha Devi Chilakapati	Promoter	19,24,351	10	-	
September 20, 2023	Saritha Devi Chilakapati	Promoter	2,10,526	10	19	Sweat Equity
September 20, 2023	Vinay Choudary Chilakapati	Promoter Group	5,26,316	10	19	
September 20, 2023	K. Sai Babu	Relative of Promoter & Promoter Group	2,10,526	10	19	

14. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our

Company other than in the normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Draft Prospectus.

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

Our Promoters have given written consent to include [•] Equity Shares subscribed and held by them as a part of Minimum Promoters’ Contribution aggregating of 20.00% of the post issue Paid-up Equity Shares Capital of our Company (“Minimum Promoters’ contribution”) in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters’ Contribution, and to be marked Minimum Promoters’ Contribution as locked-in.

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 allotment in the Initial Public Offer.

We confirm that Minimum Promoters’ Contribution of 20.00% of the post Issue 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 20.00% of the Post Issue Capital 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.

The details of Minimum Promoters’ Contribution are as follows:

Name of Promoter	No. of Equity Shares locked in*	Date of allotment / acquisition and when made fully paid up**	Nature of transaction	Face value (₹)	Issue / acquisition price per Equity Share (₹)	Percent age of pre Issue paid-up capital (%)	Percentage of post Issue paid-up capital* (%)	Lock-in Period
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

\*To be updated at Prospectus stage.

\*\* All Equity Shares were fully paid up on the respective dates of allotment / acquisition, as the case maybe, of such Equity Shares.

All the Equity Shares held by the Promoters / members of the Promoters’ Group are in dematerialized form as on date of this Draft Prospectus.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters’ Contribution of 20.00% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;



- consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
- resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity share acquired by promoters during the preceding one year at a price lower than the price at which Equity Shares are being offered to public in the initial public offer
- Equity Shares allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management:

Provided that Equity Shares, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.

**16.Lock in of Equity Shares held by Promoters in excess of Minimum Promoters' contribution:**

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance [•] Equity Shares held by Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

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

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

**18.Inscription or recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository. – *Not Applicable as all existing Equity Shares are held in dematerialized form.*

**19.Pledge of Locked in Equity Shares:**

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

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

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

## **20. 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.

**21.**Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**22.**As on date of this Draft Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up Equity Shares.

**23.**Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus.

**24.**Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.

**25.**There are no safety net arrangements for this public issue.

**26.**As on the date of filing this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

**27.**As per RBI regulations, OCBs are not allowed to participate in this offer.

**28.**Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

**29.**There are no Equity Shares against which depository receipts have been issued.

**30.**As on date of this Draft Prospectus, other than the Equity Shares, there are no other class of securities issued by our Company.

**31.**Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

32. An applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
33. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.
34. Our Promoters and the members of our Promoters' Group will not participate in this offer.
35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty four hours of such transaction.
36. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	No. of Equity Shares Held
Saritha Devi Chilakapati	40,59,228
Lakshmi Kanthamma Chilakapati	40,05,794
Vinay Choudary Chilakapati	5,26,316

37. **Employee stock option schemes:** As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee. However, the company had allotted 10,30,526 Equity Shares at a price of ₹19 per share to its eligible employees under Sweat Issue and such shares will be lock in for a period of 3 years from the date of allotment. There are 16 eligible employees out of which one employee is under category of promoter and one employee is under category of promoter group, balance 14 employees will be considered under public category. xiii) Stock Purchase Plan from the proposed issue; as and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

## OBJECTS OF THE ISSUE

### Requirement of Funds

Our Company proposes to utilize the funds which are being raised through this Issue (“**Net Proceeds**”) towards the following object:

- a) Funding working capital requirements of the Company;
- b) Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment;
- c) Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company, from banks and financial institutions;
- d) General corporate purposes; and
- e) Issue Expenses

(Collectively referred to as “**Objects**”)

The main object clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us: (i) to undertake our existing business activities and activities set out therein; and (ii) to undertake the activities for which funds are being raised in the Issue for which working capital requirement, investments in plant and machinery, general corporate purposes for business promotion and expansion and part repayment of debt from the Net Proceeds were utilized.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange for the enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

### Issue Proceeds & Net Proceeds

The details of the proceeds of the Issue are set out in the following table:

Particulars	Estimated Amount <sup>(1)</sup> (₹ in lakhs)
Gross Proceeds of the Issue	Upto 2,807.68
Less: Estimated Issue related expenses <sup>(2)</sup>	[•]
<b>Net Proceeds of the Issue</b>	<b>[•]</b>

(1) To be finalized upon determination of the Issue Price and updated in the Prospectus at the time of filing with the RoC.

(2) The Issue related expenses shall vary depending upon the final Issue Size and the allotment of Equity Shares.

### Utilization of Net Proceeds

Particulars	Total Estimated Cost (₹ in lakhs)	Amount proposed to be financed from Net Issue Proceeds (₹ in lakhs)	% of Gross Issue Proceeds
Funding working capital requirements of the Company	1159.70	1159.70	[•]
Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment	684.36	684.36	[•]

Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company, from banks and financial institutions	251.95	251.95	[•]
General corporate purposes <sup>(1)</sup>	[•]	[•]	[•]
Issue Expenses <sup>(2)</sup>	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

*(1) To be finalised upon determination of Issue 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 Fresh Issue.*

*(2) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, as indicated above, are based on our current business plan and circumstances, management estimates, prevailing market conditions and other commercial and technical factors, which are subject to change from time to time. These fund requirements have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its funding requirements and deployment on account of a variety of factors, including but not limited to our financial and market condition, business and strategy, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to applicable law.

In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to availability and compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking additional equity and/or debt arrangements from existing and future lenders or any combination of them. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for (i) general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations; or (ii) towards any other object where there may be a shortfall, at the discretion of the management of our Company and in compliance with applicable laws.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the chapter titled **“Risk Factors”** beginning on page 30 of this Draft Prospectus.

## **MEANS OF FINANCE**

The fund requirements for all the Objects of the Issue are proposed to be entirely funded from the Net Proceeds, Internal Accruals and borrowings from Banks and Financial Institutions. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue or through existing identifiable internal accruals.

## DETAILS OF THE OBJECTS

### a) Funding working capital requirements of the Company:

Our Company proposes to utilise up to ₹ 1159.70 lakhs from the Net Proceeds towards funding its working capital requirements in Financial Year 2025. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks and financial institutions. Our Company requires additional working capital for funding future growth requirements of our Company and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. For further details of the working capital facilities currently availed by our Company, see “*Financial Indebtedness*” and “*Financial Information*” on pages 205 and 170 of this Draft Prospectus, respectively.

Further, for risks in relation to use of the Net Proceeds for funding working capital gap of our Company, see “*Risk Factors* – Copy from Risk Factor Chapter on page 30 of this Draft Prospectus.

### Basis of estimation of working capital requirement

We propose to utilise up to ₹ 1159.70 lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Financial Year 2025. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals, borrowings from banks and financial institutions. The details of our Company’s working capital as at three months period ended as at September 30, 2023, Financial Year 2023, Financial Year 2022 and Financial Year 2021, and the source of funding, derived from the restated financial statement of our Company, as certified by M/s. G R A N D M A R K & Associates, Chartered Accountants through their certificate dated January 29, 2024 are provided in the table below:

*(Rs. in lakhs)*

Particulars	As per Restated financial statement				Estimated	Projected
	30-Sep-23*	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-24	31-Mar-25
<b>Current Assets</b>						
Inventories (Stores and Consumables)	880.22	911.64	777.00	678.02	1133.18	1295.30
Trade receivables	263.54	154.32	156.87	131.21	274.46	479.90
Cash and Bank Balances	9.38	0.55	1.86	3.08	31.39	99.10
Short Term Loans and advances	173.96	129.72	28.33	47.01	193.47	215.24
Other Current Assets	31.69	17.44	9.95	5.98	34.85	38.34
<b>Total Current Assets</b>	<b>1358.79</b>	<b>1213.67</b>	<b>974.01</b>	<b>865.30</b>	<b>1667.35</b>	<b>2127.88</b>
<b>Current Liabilities</b>						
Trade payables	239.19	164.09	206.45	178.30	316.99	238.27
Other current liabilities	60.90	41.08	61.76	--	91.35	91.71
Short-term provisions	115.24	136.57	--	44.67	152.21	188.08
<b>Total Current Liabilities</b>	<b>415.33</b>	<b>341.74</b>	<b>268.21</b>	<b>222.97</b>	<b>560.55</b>	<b>518.06</b>
<b>Net Working Capital</b>	<b>943.46</b>	<b>871.93</b>	<b>705.80</b>	<b>642.33</b>	<b>1106.80</b>	<b>1609.82</b>
<b>Sources of Funds</b>						

Short Term Borrowings	497.45	369.86	390.82	384.23	473.17	450.11
Unsecured Loans	373.85	479.57	369.77	85.94	373.85	--
Internal Accruals	72.16	22.5	-54.79	172.16	259.78	--
Proceeds from IPO	--	--	--	--	--	1159.70
<b>Total</b>	<b>943.46</b>	<b>871.93</b>	<b>705.80</b>	<b>642.33</b>	<b>1106.80</b>	<b>1609.81</b>

As certified by our Statutory Auditors vide certificate dated January 29, 2024.

For further details, please refer to chapter titled “*Restated Financial Statement*” beginning on page 171 of this Draft Prospectus.

### Expected working capital requirements

The estimates of the working capital requirements for the Financial Year 2024 have been prepared based on the management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management’s action that are not necessarily expected to occur.

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated December 15, 2023 has approved the projected working capital requirements for the Financial Year 2024 and 2025, with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

Particulars	As at March 31, 2024 (Estimated)	As at March 31, 2025 (Projected)
<b>Current Assets</b>		
Inventories	1133.18	1295.30
Trade Receivables	274.46	479.90
Cash and cash equivalents	31.39	99.10
Loans and Advances	193.47	215.24
Other Assets	34.85	38.34
<b>Total (A)</b>	<b>1667.35</b>	<b>2127.88</b>
<b>Current Liabilities</b>		
Trade payables	316.99	238.27
Other liabilities (Including Non-Current)	91.35	91.71
Short-term provisions	152.21	188.08
<b>Total (B)</b>	<b>560.55</b>	<b>518.06</b>
<b>Working Capital Requirements (A-B)</b>	<b>1106.80</b>	<b>1609.82</b>
<b>Incremental working capital</b>	[•]	[•]
<b>Sources of funds</b>		
Short Term Borrowings	473.17	450.11
Unsecured Loans	373.85	--

Particulars	As at March 31, 2024 (Estimated)	As at March 31, 2025 (Projected)
Internal Accruals	259.78	--
Proceeds from IPO	--	1159.70
<b>Total Means of Finance</b>	<b>1106.80</b>	<b>1609.81</b>

As certified by our Statutory Auditors vide certificate dated January 29, 2024.

#### Assumption for working capital requirements

The table below sets forth the details of holding levels (in days) for the six-month period ended September 30, 2023 and for the Financial Year 2023, Financial Year 2022 and Financial Year 2021 as well as the estimated holding levels (in days) Financial year 2024:

(In days)

Particulars	No. of Days outstanding or holding level as on			Current Year F.Y. 2023-24	Estimated F.Y. 2024-25
	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2022-23		
Trade Receivables	38.52	23.48	20.93	24.43	34.67
Trade Payables	81.84	44.84	45.52	51.39	25.52

#### Justification for “Holding Period” levels:

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

<b>Assets- Current Assets</b>	
<b>Trade Receivables</b>	<b>2023-24 and 2024-25</b> For the past 3 to 4 financial years, it was established that, holding period of trade receivables has been reported at around 25 to 35 days and hence for the current financial 2023-24 – 24.43 days i.e., approximately 25 days and 34.67 days for the year 2024-25 has been taken into consideration while computing working capital requirements.
<b>Liabilities- Current Liabilities</b>	
<b>Trade Payables</b>	<b>2023-24 and 2024-25</b> Though holding period for trade payables recorded at high level in the year 2020-21 but, gradually it has been revamped to a level of 45 to 50 days during financial years 2021-22, 2022-23 and 2023-24 due to effective payment mechanism and hence during the year 2024-25, holding period of 26 days (approx.) considered to be reasonable while computing working capital requirements.



**The table below sets forth the key assumptions for our working capital projections:**

<b>Particulars</b>	<b>Assumptions</b>
Inventories	The inventory includes the Work in progress. The amount of work done in the project and the final bill is not submitted to the client at the end of the year is valued and included in the Inventory.
Receivables	The Balance amount outstanding from the clients after receiving the payment against the invoices raised.
Cash and Bank Balance	The bank balance is maintaining bank balance in various branches of the bank for smooth operation.
Margin Money Deposit	The Margin Money deposit is the deposit given to the banks for providing the non-fund-based limits Viz. Bank Guarantees. Bank generally need margin money for giving bank guarantee and the margin money deposit is the fixed deposits with the bank and marked lien on the same for providing the bank guarantee.
Investment	Current Investment includes the Contribution by the Company by way of capital in Joint venture Projects.
Trade Payables	Trade payables are the outstanding amount to third party vendor for supply of goods and services to the Company. It is short time liabilities of the Company and has to be paid as per terms of the purchase of goods and services.
Other Current Liabilities	Other current liabilities include the security deposit which is short term liability to be paid within short time.
Provisions	The expenses of the current year for the last month of the period which are yet to be paid and the provision for the income tax are included under this heading.

**b) Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment:**

The Company proposes to purchase the balancing machinery and equipment for the purpose of enhancement of installed capacity of Metal Powders from the existing 600 Tons per annum to 1400 Tons per annum in the light of growing demand and increase in customer base for the Metal Powders.

Our Board in its meeting dated December 15, 2023 approved an amount of up to ₹ 684.36 for the purpose of funding the proposed expenditure towards purchase of machinery and equipment as stated herein above from the Net Proceeds. Our Company has received quotations from various vendors for the proposed capital expenditure and is yet to place any orders or enter into definitive agreements for purchase of manufacturing equipment. No second hand or used equipment are proposed to be purchased out of the Net Proceeds.

Our total estimated cost of purchase of equipment as per the quotations received from various vendors is ₹ 719.86 and we intend to utilize an amount of up to ₹ 684.36 out of the Net Proceeds for the purchase of manufacturing equipment, and the remaining expenses shall be met from our internal accruals. The breakdown of such estimated costs is set forth below:

Sr. No.	Name of the Machinery/ Equipment	Particulars/ Machine Type	Quantity	Total Estimated Cost (in ₹ lakhs)	Potential Vendor	Date of Quotation	Validity	Current or Future purposes
1	Furnace (Raipur)	1. Annealing furnace 2. Erection & Commissioning	1	1. 57.82 2. 28.03 (Rs 27.5 Lakhs paid as Advance)	1.Kushal Ferro Alloys 2. Mathesis Engineers Pvt Ltd.	1. May 08, 2023 (Proforma Invoice) 2. February 1, 2024	1. N.A. 2. Till March 31, 2024	Current
2	XRF	Hand held testing machine (SER-01 ElvaX ProSpector LE Spectrometer)	1	21.24 (Rs 8 Lakhs paid as Advance)	Lab India Analytical Instruments Pvt Ltd	December 4, 2023 (Tax Invoice)	N.A.	Current
3	Solar Roof Power	270 KW P	1	151.30	Bandaru Energies Pvt Ltd	February 5, 2024	March 21, 2024	Future
4	ERP Software	ERP Software	1	21.50	Tech Cloud ERP Software Pvt. Ltd.	February 1, 2024	March 16, 2024	Future
5	Hydraulic Lift	Hydraulic Lift	1	10.79	Salzgitter lifts Pvt. Ltd.	February 2, 2024	April 2, 2024	Future
6	25 KVA Silent Generator	25 KVA Silent Generator	1	6.25	Inter Power Gen tech	February 5, 2024	March 31, 2024	Current
7	Factory Site related	Internal & External facilities	1	85.00	Keerthi Enterprises	February 6, 2024	April 5, 2024	Current & Future
8	Gas Atomiser	Machine	1	294.65	New Raju Steels	February 5, 2024	April 4, 2024	Future

9	Supporting Equipments	1. Tray Drier 2. Sieving Machine (SS) 3. Attritor (50 Kgs)	1	4.01 1.60 15.17	1. SB Industries 2. JVC Separations 3. Jaya Bharath Industries	1. February 5, 2024 2. February 3, 2024 3. February 5, 2024	1. April 4, 2024 2. March 4, 2024 3. April 4, 2024	Current
10	250 KVA Generator	Generator	1	22.50	Sri Gayatri Power Systems	February 5, 2024	March 31, 2024	Current
				<b>719.86</b>				

Sr. No.	Name of the Machinery/ Equipment	Applications / Uses
1	Furnace (Raipur)	Reduction Annealing of Metal Powders, Capacity is 5 MT per day
2	XRF	QC item meant for testing and conducting composition analysis of Raw Material & Finished Goods
3	Solar Roof Power	Solar power to eventually reduce power cost in the long run. Focusing on reduction of carbon footprint for our company
4	ERP Software	To bring in more control and efficiencies in all divisions in all aspects of manufacturing & supply chain.
5	Hydraulic Lift	For office at Factory
6	25 KVA Silent Generator	For power backup at our registered office
7	Factory Site related	Civil expenses, painting, external pavements, internal office related equipments
8	Gast Atomiser	To Manufacture Metal Powders for surface coatings, Metal Injection Moulding, Additive Manufacturing, Spherical powders
9	Supporting Equipments	Tray driers, sieving machines, air classification equipments etc.
10	250 KVA Generator	For backup power at our production unit.

**c) Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company, from banks and financial institutions:**

Our Company has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company include inter alia term loans and working capital facilities. For further details, please see section entitled “*Financial Indebtedness*” beginning on page 205. As of September 30, 2023, our total outstanding borrowings amounted to ₹ 1,211.36 Lakhs. Our Company proposes to utilize an estimated amount of up to ₹ 251.95 Lakhs from the Net Proceeds towards pre-payment or scheduled repayment of all or a portion of the outstanding borrowings availed by our Company. We may repay or refinance some loans set out in the table below, prior to filing of the Prospectus. In such a situation, we may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans. We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time.

In light of the above, at the time of filing the Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/prepaid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders and (v) provisions of any law, rules, regulations governing such borrowings.

Our company believes that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth. Our Company may avail further loans after the date of this Draft Prospectus and/or draw down further funds under existing loans. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years. The following table sets forth details of certain borrowings availed by our Company, which are outstanding as on September 30, 2023 out of which our Company may repay/prepay, all or a portion of, any or all of the borrowings, from the Net Proceeds:

Sr. No.	Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing as per Sanction letter	Amount Sanctioned (₹in lakhs)	Amount Outstanding as at September 30, 2023	Applicable rate of interest	Remaining tenor as on September 30, 2023	Security	Purpose for which the loan was sanctioned and utilised	Foreclosure / Prepayment Charges (%)	Repayment from the Net Proceeds
1	Aditya Birla Finance	20.07.2023	Business Loan (Overdraft)	65.00	22.03	18.00 %	23 Months	Unsecured	Working Capital	NIL	[•]
2	Bajaj Finance Ltd	June 2023	Business Loan (Overdraft)	30.00	17.01	16.00 %	71 Months	Unsecured	Working Capital	NIL	[•]
3	Fullerton India	28.02.2021	Business Loan	35.00	7.01	15.50 %	6 Months	Unsecured	Business Loan for expansion	[•]	[•]
4	L & T Finance	20.07.2023	Business Loan (Overdraft)	50.00	46.30	16.50 %	22 Months	Unsecured	Working Capital	NIL	[•]
5	Profectus Capital	30.11.2022	Enterprise Mortgage Loan	180.00	164.00	13.28 %	89 Months	Secured (3 <sup>rd</sup> party collateral offered)	Working Capital	2% on the Principle Outstanding	[•]

*Our Company has obtained a certificate dated [•], 2024, issued by our Statutory Auditor, the utilization of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.*

#### d) General Corporate Purposes

In terms of Regulation 230(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes must not exceed 25% of the Gross Proceeds. Our Board will have flexibility in applying the balance amount towards part or full repayment/prepayment of outstanding borrowings, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time.

Our management, in response to the competitive and dynamic nature of our industry and business, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilisation of funds towards any of the purposes will be determined by the Board or a duly appointed committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

#### e) Estimated Issue Related Expenses

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

Sr. No.	Particulars	Amount (₹ in lacs) *	% of Total Expenses	% of Total Issue Size
1.	Fees payable to LM including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses**	[•]	[•]%	[•]%
2.	Brokerage and selling commission	[•]	[•]%	[•]%
3.	Printing & Stationery, Distribution, Postage, etc.	[•]	[•]%	[•]%
4.	Advertisement and Marketing Expenses	[•]	[•]%	[•]%
5.	Stock Exchange Fees, Regulatory and other Expenses	[•]	[•]%	[•]%
	<b>Total*</b>	<b>[•]</b>	<b>[•]%</b>	<b>[•]%</b>

\*Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price.

\*\*The details of the fees and commissions payable to Designated Intermediaries will be updated at the time of filing of Prospectus with RoC.

#### Bridge Loans

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue. However, if the Company avails any bridge loans from the date of this Draft Prospectus up to the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

#### Monitoring of Utilization of Funds

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the

management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, 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 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.

#### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act, 1934. Our Company confirms that it shall not use the Net Proceeds for any purpose other than above mentioned objects.

#### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution and such variation will be in accordance with applicable laws, including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Telugu, being the regional language of Telangana, where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

#### **Appraising entity**

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

#### **Strategic or financial partners**

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

#### **Other Confirmations**

Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.



## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10/- and Issue Price is ₹ [•]/- per Equity Shares and is [•] times of the face value. Investors should read the following basis with the sections titled “**Risk Factors**”, “**Our Business**”, “**Restated Financial Statements**” and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” beginning on Page No. 30, 112, 171 and 207 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Experienced Management team having knowledge to scale up and expand into new opportunities;
- Dedicated technical & functional team to provide solutions to our customers;
- Experience of handling large & complex projects;
- Multi-year relationships with most customers;
- Improving operational efficiency.

For further details regarding some of the qualitative factors, please refer chapter titled “**Our Business**” beginning on Page No. 112 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section for the Restated financial statements of the Company for the six months period ended September 30, 2023 and for the financial year ended March 31, 2023, financial year ended March 31, 2022 and financial year ended March 31, 2021 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) issued by the ICAI, together with the schedules, notes and annexure thereto. For more details on financial information, investors please refer the chapter titled “**Restated Financial Statements**” beginning on Page No. 171 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

### On Standalone Basis:

#### 1) Earnings Per Share (“EPS”) of Rs. 10 per Equity Share (as adjusted for changes in capital, if any):

Sr. No	Period/Year Ended	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weights
1.	Financial year ended 31 March, 2023	11.15	11.15	33.45
2.	Financial year ended 31 March, 2022	1.91	1.91	3.82
3.	Financial year ended 31 March, 2021	1.07	1.07	1.07
4.	Weighted Average	6.39	6.39	38.34

#### Notes:

1. Earnings per share calculations have been done in accordance with Accounting Standard 20 - "Earnings per Share" issued by the ICAI.
2. The Face Value of the Equity Share of our Company is Rs. 10 each.

- 2) **Price to Earnings (P/E) ratio in relation to Fixed Price Issue of Equity Share of Rs. 10/- each fully paid-up works out to be 7.35 times of EPS for the year 2022-23.**

Particulars	P/E*
P/E ratio based on Basic and Diluted EPS as at March 31, 2023	[•]

\*The same shall be updated once IPO Price is finalised and updated in the Prospectus prior to opening of the Issue.

- 3) **Industry Price / Earning (P/E) Ratio**

*There are no industry peers in the listed category.*

- 4) **Average Return on Net worth (RONW)**

Sr. No	Period/Year Ended	RoNW (%)	Weights
1.	Financial year ended 31 March, 2023	45.55%	136.65
2.	Financial year ended 31 March, 2022	14.53%	29.06
3.	Financial year ended 31 March, 2021	8.73%	8.73
4.	Weighted Average	30.74	N.A.

- 5) **Net Asset Value Per Share (NAV)**

Sr. No	Period/Year Ended	NAV (%)	Weights
1.	Financial year ended 31 March, 2023	24.48%	73.44
2.	Financial year ended 31 March, 2022	13.17%	26.34
3.	Financial year ended 31 March, 2021	12.24%	12.24
4.	Net Asset Value per Equity Share after Issue – at Issue Price	[•]	[•]
5.	Issue Price per Equity Shares (in ₹)	[•]	[•]

- 6) **Peer Group Comparison**

Name of the Company	Revenue from Operations (in Rs. Lakhs)	Face Value (Rs.)	EPS (Rs.)	P/E Ratio	RoNW (%)	NAV per Share (Rs.)
<b>Peer Group</b>						
<i>There are no industry peers in the listed category</i>						
<b>Our Company</b>						
Innomet Advanced Materials Limited	2712.93	10	11.15	7.35	45.55	24.48

- 7) **Key Performance Indicators**

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated December 15, 2023. Further, the Audit Committee has on December 15, 2023 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key

performance indicators during the three years preceding this Draft Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help it in analysing the growth of various verticals in comparison to our Company’s peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated January 29, 2024 issued M/s. G R A N D M A R K & Associates, Peer Review Auditors, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated January 29, 2024 issued by M/s. Grand Mark & Associates, has been included in ‘**Material Contracts and Documents for Inspection – Material Documents to the Issue** – Page 325 of the Draft Prospectus.

The KPIs of our Company have been disclosed in the chapters titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 112 and 207, respectively. We have described and defined the KPIs, as applicable, in “**Definitions and Abbreviations**” on page 02 of this Draft Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter 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 for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

#### **Key Performance Indicators of our Company.**

A list of our KPIs for the six months ended September 30, 2023, Financial Year 2023, Financial Year 2022 and Financial Year 2021 is set out below:

Sr No.	Particulars	For the Six Months ended September 30, 2023	For Fiscal		
			2023	2022	2021
1.	Revenue from operation (₹ in Lakhs)	1531.31	2712.93	2238.42	1243.78
2.	Total Income (₹ in Lakhs)	1588.84	2714.78	2240.35	1252.31
3.	Operating EBITDA (₹ in Lakhs)	272.97	574.49	171.57	121.27
4.	Operating EBITDA Margin (%)	17.18%	21.16%	7.66%	9.68%
5.	Profit/(loss) after tax for the year/ period (₹ in Lakhs)	203.35	321.55	55.17	20.12
6.	Net profit Ratio/ Margin (%)	13.28%	11.85%	2.46%	1.61%
7.	Return on Equity (ROE) (%)	21.37%	111.53%	19.13%	10.68%
8.	Debt To Equity Ratio	1.273	4.195	3.40	4.18

9.	Interest Coverage Ratio	5.93	6.07	2.03	1.69
10.	ROCE (%)	11.12%	27.70%	10.23%	8.98%
11.	Current Ratio	1.49	1.71	1.48	1.43
12.	Net Capital Turnover Ratio	1.075	3.84	5.89	5.39

*Notes:*

- a) *As certified by GRANDMARK & Associates, Chartered Accountants pursuant to their certificate dated January 29, 2024. The Audit committee in its resolution dated January 29, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Prospectus other than as disclosed in this section.*
- b) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*
- c) *Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations and exceptional items. Operating EBITDA excludes other income.*
- d) *Operating EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.*
- e) *Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.*
- f) *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*
- g) *Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).*
- h) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
- i) *RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by average capital employed. Capital employed is calculated as total assets less current liabilities during the period.*
- j) *Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.*
- k) *Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).*

See “**Management Discussion and Analysis of Financial Position and Results of Operations**” on page 207 for the reconciliation and the manner of calculation of our key financial performance indicators.

**Operational KPIs for the Company**

[•]

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO INNOMET ADVANCED MATERIALS LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors  
Innomet Advanced Materials Limited  
B-31, BHEL Ancillary Industrial Estate  
Ramachandrapuram  
Hyderabad-502032  
Telangana

**Sub: Statement of possible special tax benefits (“the Statement”) available to Innomet Advanced Materials Limited and its shareholders is prepared in accordance with Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”)**

Dear Sir/ Madam,

We hereby report that this certificate along with the annexure (hereinafter referred to as “**The Statement**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘IT Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2020 (i.e. applicable to F.Y. 2023-24 relevant to A.Y. 2024-25) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax [GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialed for identification purposes only.

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

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

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

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

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

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

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate along with the annexure is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Offer Document in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For M/S G R A N D M A R K & ASSOCIATES**

**Chartered Accountants**

**Firm Registration No 011317N**

**Sd/-**

**Vasanth Kumar KBM**

**Designation: Partner**

**Membership No. 215929**

Place: Hyderabad

Date: January 29, 2024

Cc:

M/s Expert Global Consultants Private Limited  
1511, RG Trade Tower Netaji Subhash Place  
Pitampura, New Delhi – 110034

## ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2022-23. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Act.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

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

#### **Notes:**

- 1) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- 2) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3) The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y. 2023-24 relevant to A.Y. 2024-25.
- 4) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

**For M/S G R A N D M A R K & ASSOCIATES**

**Chartered Accountants**

**Firm Registration No 011317N**

**Sd/-**

**Vasanth Kumar KBM**

**Designation: Partner**

**Membership No. 215929**

**UDIN: 24215929BKAIUF7178**

Place: Hyderabad

Date: January 29, 2024

## SECTION V - ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

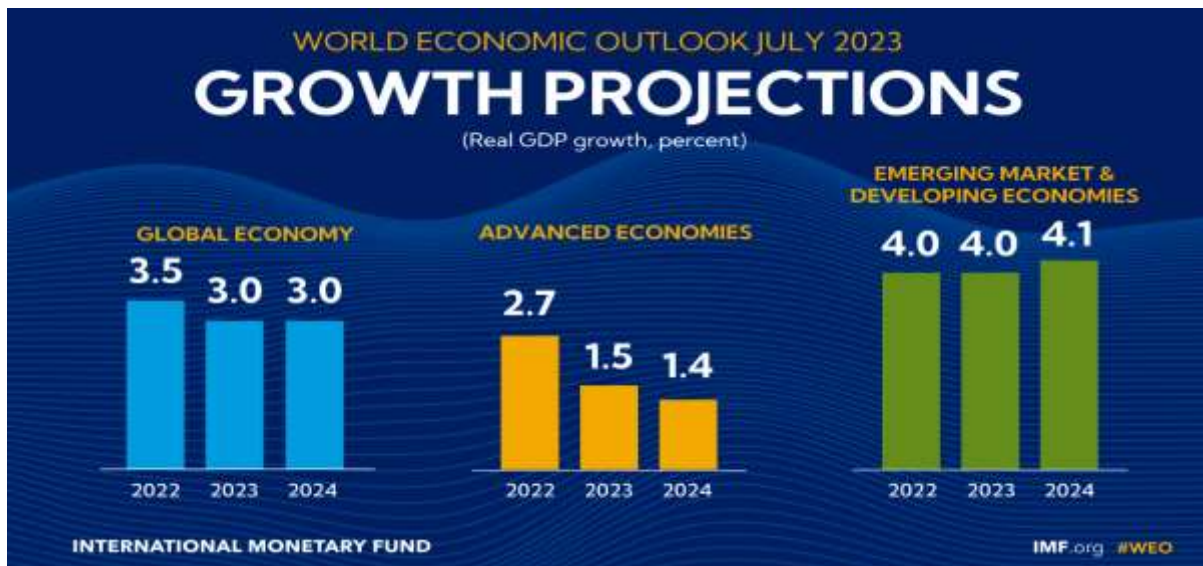
*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "**Risk Factors**" and "**Restated Financial Statements**" on pages 30 and 171, respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section '**Risk Factors**' on page 30 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.*

### GLOBAL ECONOMY OVERVIEW

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.





In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthen financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.



**GLOBAL GROWTH OUTLOOK PROJECTIONS (IN %):**

Country/Group	2022	2023 (Projections)	2024 (Projections)
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
United States	2.1	1.8	1.0
Euro Area	3.5	0.9	1.5
Germany	1.8	-0.3	1.3
France	2.5	0.8	1.3
Italy	3.7	1.1	0.9

Spain	5.5	2.5	2.0
Japan	1.0	1.4	1.0
United Kingdom	4.1	0.4	1.0
Canada	3.4	1.7	1.4
Other Advanced Economies	2.7	2.0	2.3
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.5	5.3	5.0
China	3.0	5.2	4.5
India	7.2	6.1	6.3
Emerging and Developing Europe	0.8	1.8	2.2
Russia	-2.1	1.5	1.3
Latin America and the Caribbean	3.9	1.9	2.2
Brazil	2.9	2.1	1.2
Mexico	3.0	2.6	1.5
Middle East and Central Asia	5.4	2.5	3.2
Saudi Arabia	8.7	1.9	2.8
Sub-Saharan Africa	3.9	3.5	4.1
Nigeria	3.3	3.2	3.0
South Africa	1.9	0.3	1.7

Source: IMF, World Economic Outlook Update, July 2023

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/23 (Starting in April 2022) shown in the 2022 column. India's growth projections are 6.6 percent in 2023 and 5.8 percent in 2024 based on calendar year.

### **Advance Economies Group:**

The growth slowdown projected for 2023 remains significant from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

### **INDIAN ECONOMY OVERVIEW:**

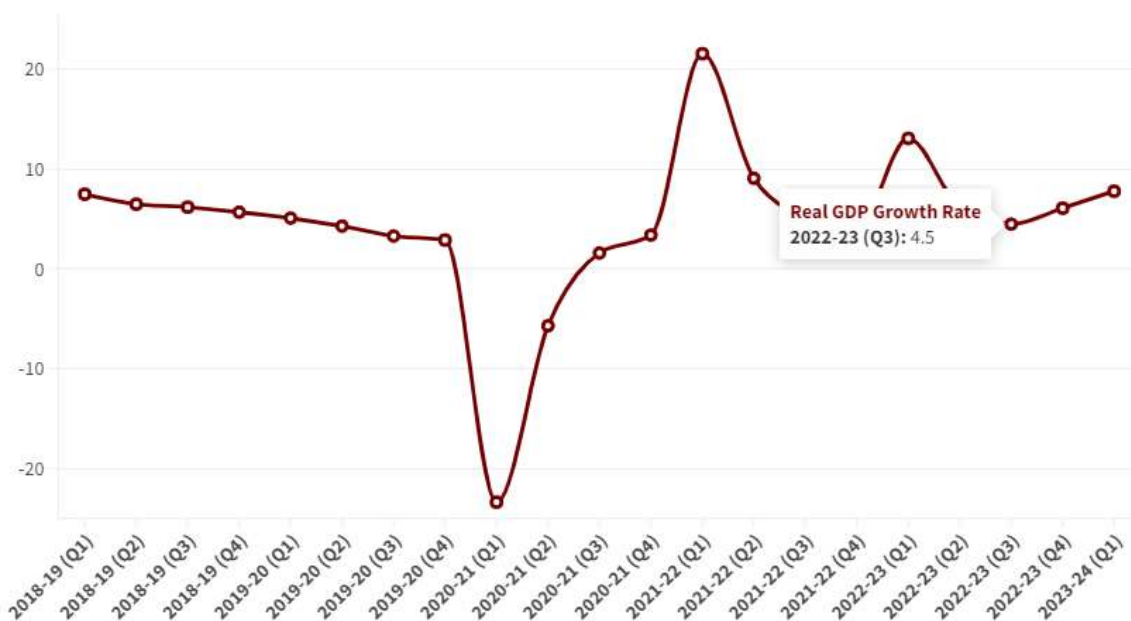
Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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 as a result 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.

## INDIAN GDP GROWTH RATES:

Quarter-wise Real GDP Growth Rates (%) for FY 2018-19 to FY 2023-24 (Q1) (Constant Prices)  
(Base 2011-12)



Source: MoSPI, India (Publication: Advance and Quarterly Estimate), [Click to get data/visualization](#) • Prepared by Computer Centre @GolStats  
Note: Growth Rates Calculated with respect to Previous Year same quarter; Q1: Quarter 1; Q2: Quarter 2; Q3: Quarter 3; Q4: Quarter 4

## Road Ahead

Economic activity in India is holding up better than expected despite persistent geopolitical worries, rising interest rates in the US and India, high prices for crude oil and a few other commodities, and rising interest rates in both countries. The rate of economic activity has entirely recovered from the COVID-19 pandemic shock, according to electricity consumption, manufacturing PMI, exports, power supply, and other high-frequency indicators. The efficient execution of PLI schemes, the expansion of renewable energy sources while diversifying import dependency on crude oil, and the support of the banking sector are expected to propel economic growth. The rise in the current account deficit will be helped by recent government attempts to increase revenue, and it will also ensure that any potential fiscal slippage is sufficiently contained. A Boston Consulting Group (BCG) report predicts that India will be the third-largest consumer economy by 2025, when changes in consumer spending and behavior may cause its consumption to double to US\$ 4 trillion. According to a PricewaterhouseCoopers estimate, India is expected to pass the US in 2040 to become the second-largest economy in terms of purchasing power parity (PPP).

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

## **GLOBAL POWDER METALLURGY MARKET**

### **• OVERVIEW**

The global powder metallurgy market size was valued at USD 2.41 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 12.9% from 2023 to 2030. The increasing adoption of additive manufacturing to reduce the weight of parts or components used in the aerospace, defense, and healthcare sectors will drive the market over the forecast period.

3D printing, also called additive manufacturing, offers properties, such as reduced weight, cost-effectiveness, and complexity in designs, which have attracted various manufacturers to implement the technology in their manufacturing processes. 3D printing is used in various industries, such as jewelry, medical, food, footwear, and aerospace. This has positively influenced the market growth.

### **• MATERIAL INSIGHTS**

The steel segment held the largest revenue share of over 46.0% in 2022. Steel is considered one of the cheapest materials in additive manufacturing, which can also be utilized in a mixture with other metals, such as bronze, titanium, and aluminum. The low cost and easy availability of steel are expected to increase its utilization in the printing of large products, including machines, car frames, and transport equipment over the coming years. Other applications of steel include spare parts and fully functional components.

The newly emerging applications of steel powder from aerospace, construction, mechanical engineering, and various other industries are further expected to augment its demand.

The other materials segment includes metals such as iron, copper, zinc, molybdenum, tungsten, magnesium, and chromium. The utilization of these metals in the manufacturing, chemical, oil & gas, general, and other industries is projected to create a positive impact on the market. For instance, copper and copper-based alloy powders have excellent electric conductive properties, which makes them applicable in various electrical & electronic applications.

### **• END USE INSIGHTS**

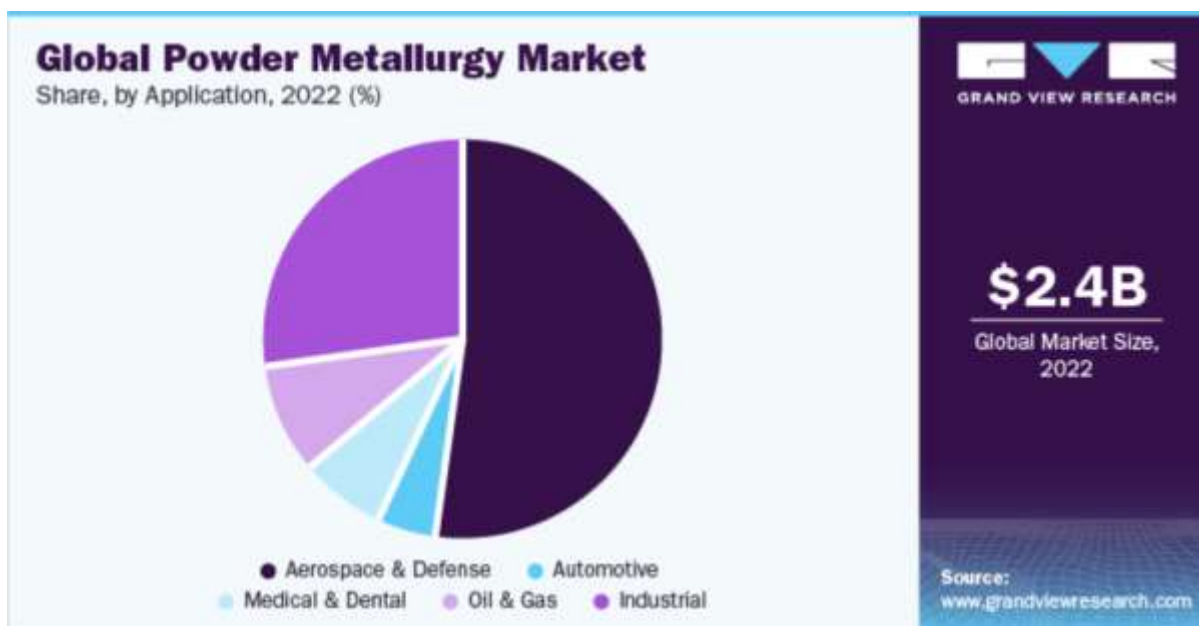
Based on end-use, the market is segmented into Original Equipment Manufacturers (OEMs) and AM operators. Large OEMs, especially in the aerospace industry, are investing in metal 3D printing to manufacture aeronautical parts, which offer advantages such as reduced turnaround time, reduction in error, innovation, improved security, improved productivity, cost savings, and enhanced design standards.

AM operators include online and offline 3D printing service providers. Online 3D printing services are gaining prominence as they help streamline the ordering process through online platforms, thereby reducing the overall production time substantially, which drives the market growth.

### **• APPLICATION INSIGHTS**

The aerospace & defense application segment accounted for the largest revenue share of more than 51.0% in 2022. The ability of the aerospace & defense industry to bear high initial costs and its adaptable nature to new technologies are anticipated to propel the segment growth. An innovative aerospace approach aided by the demand for complex geometric structures is expected to drive the use of various technologies in the market, thereby boosting the market growth.

Increasing industrial output and energy requirements are the key driving factors for segment growth. In the oil & gas industry, the demand for metal-based products manufactured using additive manufacturing has shown significant growth. For example, burners for gas turbines, pumps, turbomachinery, valves, gas turbine nozzles, and other applications.



Source: <https://www.grandviewresearch.com/industry-analysis/powder-metallurgy-market>

- **REGIONAL INSIGHTS**

In terms of revenue, North America accounted for the highest share of more than 34.0% in 2022, owing to the high demand from the aerospace & defense industry. The presence of major government and private aerospace companies coupled with high defense expenditure in the U.S. is expected to propel the market growth over the forecast period.

Asia Pacific is estimated to register the fastest CAGR over the forecast period. Factors such as high population levels and increasing consumer disposable income have led to the adoption of additive manufacturing in the automotive and healthcare industry. The promotion of private investments by various governments is projected to boost the manufacturing sector in the region, which, in turn, is expected to propel the demand for powder metallurgy.

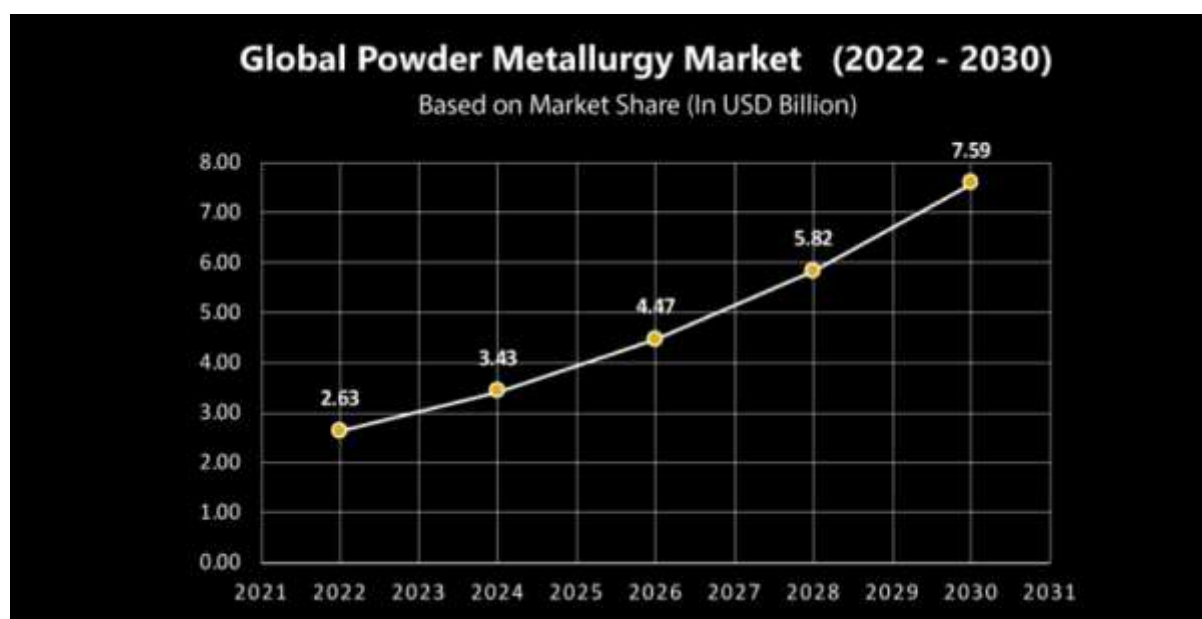


Source: <https://www.grandviewresearch.com/industry-analysis/powder-metallurgy-market>

- **MARKET DRIVERS**

The automotive industry is one of the primary drivers of the powder metallurgy market. Globally over 80% of powder metallurgy applications are in the automotive industry. Powder metallurgy is widely used in automotive components such as engine parts, transmission systems, gears, bearings, and structural parts. The demand for lightweight & fuel-efficient vehicles has led to increased adoption of powder metallurgy, as it offers cost-effective manufacturing, design flexibility & improved performance. The exponential growth of the EV market is a significant driver for the powder metallurgy industry. EVs require lightweight, high-performance components to enhance battery efficiency and vehicle performance. Powder metallurgy techniques, such as sintering and metal injection moulding, enable the production of complex shapes and lightweight parts with excellent mechanical properties, making them ideal for EV applications.

Sustainability is a driving factor in the powder metallurgy market, as it offers environmental benefits, resource efficiency, lightweight capabilities, design flexibility & consumer demand. This industry generates less waste, requires lower energy consumption, and emits fewer greenhouse gases than conventional methods. It also enables using recycled powders, reducing the need for mining and extraction, and shapes complex geometries with minimal material waste. Powder metallurgy also offers lightweight, reducing the overall weight of products and enhancing energy efficiency and emissions. Design flexibility & innovation are also driven by sustainability, enabling the development of lightweight, energy-efficient & environmentally friendly products. The growing demand for sustainable solutions in sectors like automotive, aerospace, energy, and consumer goods makes powder metallurgy an attractive choice for manufacturers. Governments worldwide are implementing regulations to promote sustainability and reduce the environmental impact of industries, creating a supportive environment for sustainable manufacturing processes like powder metallurgy.



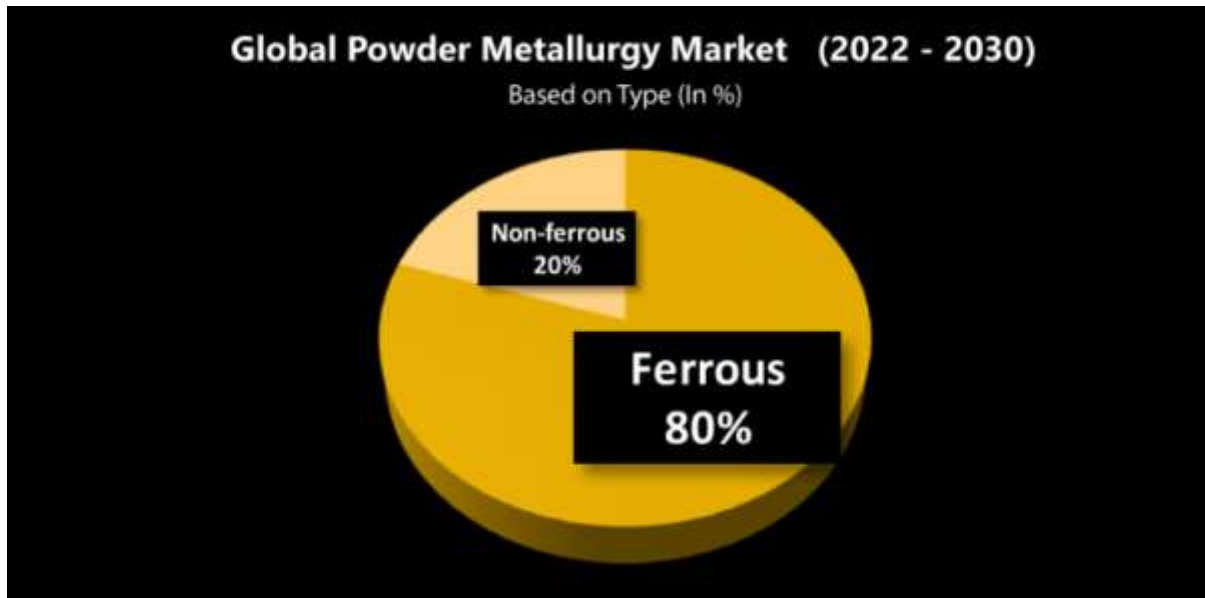
Source: <https://www.strategicmarketresearch.com/market-report/powder-metallurgy-market>

- **OPPORTUNITIES**

Powder metallurgy incorporates a plethora of procedures with special designed metal powders in order to fulfil the continuously rising demand of a variety of drivetrain applications especially Powertrain. The powdered metal/PM procedure chain permits an energy efficient production of the powertrain components and hence leads to a green (environment friendly) production process. Thus, PM/powder metal powertrain components is regarded as a highly efficient price saving factor. This, in turn will cater to extensive opportunities for market progression in future. As per SMR, majority of the cars that were manufactured in USA had gasoline powertrain. In 2021, approximately 86.1% of the cars

produced in the U.S. consisted of a gasoline powertrain, around 3% of EV powertrain, & almost 9% gasoline-hybrid powertrain respectively.

PM with exceptionally good characteristics can be used to create both soft and hard magnets. The most prevalent types of magnets made of PM are NdFeB superhard magnets and soft magnetic composites (SMCs) such as the production of Sintered Soft Magnetic parts. Additionally, due to demographic factors, the demand of MIM (metal injection moulding) is expanding, especially in the medical sector, which is a rapidly expanding the industry. Hence, it can be said that PM is moving forward with an exponential growth rate which, in turn, will cater to extensive opportunities for growth in future.



Source: <https://www.strategicmarketresearch.com/market-report/powder-metallurgy-market>

Based on Type, the ferrous type segment dominated the overall market with a share of 80 percent in 2020. As per Metal Powder Industries Federation, the automotive industry consumes over 70% of the ferrous powder metallurgy components. More than 350 automotive component applications are available, creating over 1,000 specific pieces for sale. This is due to the increase in utilization in the production of machines, car frames, and transport driving the segment's overall growth.

Based on the manufacturing process, the powder metallurgy market is categorized into additive manufacturing, Power metal hot isostatic pressing & metal injection moulding. The PM HIP manufacturing process dominates the powder metallurgy market with a market share of 55%, poised to reach \$4.23 billion by 2030. It combines the benefits of powder metallurgy and hot isostatic pressing to produce high-quality, fully dense metal components. The process involves several key steps, including powder production, blending and compacting, sintering, and hot isostatic pressing. The PM HIP process has several advantages, including enhanced mechanical properties, complex geometries, material diversity, cost-effectiveness, consistency, reproducibility, and improved material utilization. It is suitable for various industries, such as automotive, aerospace, medical & energy, and can be used for different metals & alloys. The process also allows for using recycled materials, reducing waste, and improving sustainability.

Based on Applications, the automotive segment dominated the market with a CAGR of 3.8 percent in 2020. This is because they can filter gases and liquids and create mechanical parts with a variety of compositions, such as metal-metal and metal-non-metal combinations, due to their regulated porosity and self-lubricating capabilities. It also enables the fabrication of automobile parts with extremely minimal scrap and material waste, excellent dimensional accuracy, and consistency in attributes and dimensions. Automobile parts are made of a variety of metals, including non-ferrous and ferrous metals. According to the OICA, worldwide car manufacturing increased by 3% from 2020 to 80.154 million vehicles in 2021. This should accelerate the market growth.

Based on Regions, The Asia-Pacific accounted for the largest market share with a steady CAGR in 2020. The highest percentage of the Asia-Pacific region can primarily be attributed to high population levels, private investments by various governments, and increasing consumer disposable income that led to the widespread adoption of additive manufacturing in the automotive and healthcare industry. According to JEITA, the net production value of the electronics industry in Japan was around JPY 10.95 trillion in 2021, which is 110% of the production value compared to the last year. The electronics exports in 2021 amounted to JPY 10.82 trillion, with JPY 1.04 trillion in December 2021. Additionally, the Chinese Aviation Industry Development Research Centre reported that China had boosted its 2021 defence budget by 6.8% to 1.35 trillion yuan (USD 209 billion), growing at a faster rate than it did in 2018. Also, by 2025, China's aircraft strength will reach around 5,343. The (+ve) economic growth trends in countries such as Japan, China, and India, have boosted the need for powder metallurgy products and applications.



Source: <https://www.strategicmarketresearch.com/market-report/powder-metallurgy-market>

- **ANALYSIS:**

The Powder Metallurgy Market size is estimated at USD 20.76 billion in 2024, and is expected to reach USD 26.10 billion by 2029, growing at a CAGR of 4.68% during the forecast period (2024-2029).

In 2020, COVID-19 negatively impacted the market. However, the market has now been estimated to have reached pre-pandemic levels and is expected to grow steadily in the future.

- Powder metallurgy is being used more and more by automotive OEMs, which is one of the main things driving the market.
- On the other hand, rising costs of raw materials and tools are likely to slow the market's growth.





- In the coming years, market opportunities are also expected to come from the growing use of P/M techniques in the medical field.
- The Asia-Pacific region led the market for powder metallurgy, and it is expected to have the highest growth rate over the next few years.
- Asia-Pacific has become one of the most important powder metallurgy markets and a top destination for manufacturers because its economy is growing and people have more money to spend.
- The positive economic growth trends in countries such as China, India, and Japan have boosted the demand for powder metallurgy products and applications in recent years.

Source: <https://www.mordorintelligence.com/industry-reports/powder-metallurgy-market>

## POWDER METALLURGY INDUSTRY SEGMENTATION

Powder metallurgy is a way to make things that uses less energy and has better performance and more design options than traditional methods like casting, forging, extrusion, stamping, and machining. The powder metallurgy market is segmented by product type, application, and geography. By product type, the market is segmented into ferrous and non-ferrous metals. By application, the market is segmented into automotive, industrial machinery, electrical and electronics, aerospace, and other applications. The report also covers the market size and forecasts in 15 countries across major regions. For each segment, market sizing and forecasts have been done based on revenue (USD million).

Source: <https://www.mordorintelligence.com/industry-reports/powder-metallurgy-market>

Product Type	Ferrous Non-ferrous
Application	Automotive Industrial Machinery Electrical and Electronics Aerospace Other Applications
Geography	Asia-Pacific China India Japan South Korea Rest of Asia-Pacific
	North America United States Canada Mexico
	Europe Germany United Kingdom Italy France Rest of Europe
	South America Brazil Argentina Rest of South America
	Middle East and Africa Saudi Arabia South Africa Rest of Middle East and Africa

## OUR BUSINESS

Some of the information contained in this section, including information with respect to our plan and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “**Forward-Looking Statements**” on page 19 for a discussion of the risks and uncertainties related to those statements and also the section titled “**Risk Factors**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on pages 30 and 207, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless the context otherwise requires, references in this section to “we”, “us”, or “our” are to our Company (Innomet Advanced Materials Limited) our sales of products/ goods and services within India are to sales by our Company within India and all the remaining/balance sales of our products/ goods and services are categorised as “outside India”. Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a “Fiscal” or “fiscal year” are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or the on text otherwise requires, the financial information included in this section as of for the stub-period i.e., September 30, 2023 and for Fiscal 2023 Fiscal 2022 and Fiscal 2021 included in this Draft Prospectus has been derived from the **Restated Financial Information** on page 171. We have also included various operational and financial performance indicators in this Draft Prospectus, some of which have not been derived from our Restated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

### OVERVIEW

M/s Padmasree Enterprises incorporated as a partnership firm in the year 1984, which was a family concern started as a General Engineering later on converted into a Private Limited Company in the name of M/s Innomet Advanced Materials Private Limited (Innomet) during 2019. The next generation took over and diversified into other businesses like manufacture of Diamond Tools and later on through backward integration, started manufacture of Metal Powders (Ferrous, Non-Ferrous and their Alloys). Further with R&D got into manufacture of Tungsten Heavy Alloys (THA). The Promoters have vast experience in General Engineering, Diamond Tools, Metal/Alloy Powders and Tungsten Heavy Alloys.

Manufacture of “METAL POWDERS & TUNGSTEN HEAVY ALLOYS” comes under the gamut of “POWDER METALLURGY”. The Company has all the necessary infrastructure for the development and manufacture of Metal Powders and Tungsten Heavy Alloys. To update ourselves technologically, the Company associates with the senior most scientists in the world and with renowned Research Organisations in India for continuous development of various Powder Metallurgy (PM) products. The Company has also started/conducted in-house experiments to develop products required by the end users. Innomet has been found to be in conformity with the Quality Management System Standard: ISO 9001:2015 with a scope of manufacturing and supply of Ferrous & Non-Ferrous Metal/Alloy Powders and Tungsten Heavy Alloy components.

Innomet has 2 divisions with brand names as under.

- Innomet Powders.
- Innotung.

#### **1. Innomet Powders**

Through Innomet Powders, we are global manufacturers of Metal and Alloy Powders through water, air and gas atomization processes. The Company has over 20 products including Copper, Bronze, Brass, Nickel, Tin and Stainless-Steel Powders for several industries and specialize in manufacturing customized grades of Metal/Alloy Powders containing Iron, Copper, Nickel, Tin, Zinc and Cobalt.

## **Applications**

Innomet is currently catering to Powder Metallurgy Components, Diamond Tools, Welding, Brazing, Catalyst, Surface Coatings, Aesthetics and many others.

We are passionate towards Innovation and developing new products for our customers. We encourage R&D divisions of the other companies to work with us in their projects related to Powder Metallurgy and assist them with our infrastructure and expertise in whatever capacity we can for import substitution.

We are an ISO 9001:2015 certified Company with Domestic and International customers based out of US, UK, Germany, Netherlands, Japan, Italy, New Zealand, Lebanon, Brunei and many other countries. Import substitution is one of the key focus areas for us and we can proudly say that, we have developed several import substitute products for our customers in India.

## **2. INNOTUNG**

Innotung, is the brand name for “The Tungsten Heavy Alloy series” manufactured through Powder Metallurgy process by our Company. We supply the material in the form of bars, plates, cubes, spheres and components of various sizes and shapes also in the finished machined condition as per customer drawings.

Applications include Defence, Aerospace, Radiation Shielding, Sporting and Engineering.

Features:

1. Density: 17-18.5 g/cc
2. Hardness: 30 Hrc (Min)

Our customer segments include BRIT, EBC, BARC for Radiation Shielding products, Ordnance Factories, BDL, R & D Organisations, such as DMRL, PGAD, TBRL, ARDE, NSTL for Defence products and HAL, RCI, DRDL across India and reputed companies overseas for Aeronautic and Aerospace products.

We possess the complete technology, infrastructure and human resource for development and commercial production. The Tungsten products are classified as INNOTUNG 90, INNOTUNG 95 and INNOTUNG 98 based on their composition that includes both Magnetic and Non-Magnetic varieties.

The human resources include Scientists of National and international repute.

We also produce Tungsten Copper Alloys for applications in Electrical Contacts, Heat Management systems, etc.

## **About Innomet Powders**

Innomet Powders are precisely engineered particulate materials that meet a wide range of performance requirements. Powder particles are specific in shape and size ranging from 0.1 to 1,000 micrometers. They are not merely ground-chips or scraps of metal. Major methods for making metal powders are atomization of molten metal, reduction of oxides, electrolysis and chemical reduction. Use of Metal powders helps in saving valuable raw materials, through recycling and elimination of costly secondary machining. They are one of the only ways of forming certain vital metals such as tungsten carbide, dispersion-strengthened materials, high speed tool steels, super-alloys and self-lubricating bearings. PM is international in scope with growing industries in all of the major industrialized countries. Improved manufacturing processes such as hot isostatic pressing (HIPping), PM forging, metal injection molding (MIM), and direct powder rolling through increased scientific investigation of PM technology by government, academic and industrial R&D programs, are driving growth worldwide. We are global

manufacturers of metal and alloy powders. We specialize in manufacturing customized grades of metal/ alloy powders containing Iron, Copper, Nickel, tin, Zinc and cobalt.

Innomet has focused on specialty powders, which are import substitutes. The potential market for these is around USD 1 Billion globally. Indian market is around INR 4-5 Billion, growing in double digits. Total PM market is believed to be USD 4-5 B in value, and 700,000 tons in volume.

With Innomet's R&D driven mindset, and now with better resources, it can scale up into high end applications, opening larger markets and greater margins.

## **INNOTUNG**

With the success in manufacturing of a wide range of Ferrous and Non-Ferrous Metal and alloy powders, we decided to venture into value added component manufacturing and also develop expertise downstream. Also, that we are one of its kind in the country manufacturing THA.

Tungsten, usually alloyed with Nickel and Iron or Cobalt to form Heavy Alloys, is used in kinetic energy penetrators as an alternative to depleted Uranium. Tungsten Heavy Alloys have also been used in cannon shells, grenades and missiles, to create supersonic shrapnel. Tungsten has also been used in Dense Inert Metal Explosives, which use it as dense powder to reduce collateral damage while increasing the lethality of explosives within a small radius.

Innotung used in various applications such as Radiation Shielding, Boring Bars, Sporting, Dead Weights, Centre of Gravity Adjustors, Tungsten Ballast, Tungsten Collimator, Vibration Damping, Tungsten Penetrators, Pre-fragments, Tungsten Camera body, Defense and Ammunition.

### **Other Potential Products include**

Defence : Kinetic Penetrators, Armour Plating, Nozzles in Rockets and Jet Vanes.  
Aerospace : Balance Weights, Tuning Mass, Spacers, Granules  
Radiation : Radiation Shielding Containers  
Engineering : Dynamic and static balancing of rotors, balancing weights and stiff rods for deep boring etc.  
Sports : Golf Club heads, Balance weights for formula 1 racing cars etc.

### **Features of Innotung**

Density : 15-18.5 g/cc  
UTS: 500-950 Mpa, e : 3-22%  
Compressive St : 2000 Mpa  
Hardness : 20-40 Hrc  
Radiation : Stable, rigid, non-toxic shield against X and gamma rays

### **Market Potential for Metal Powders**

The market for metal powders is primarily driven by rising demand from the end-user industries and advancement in technology particularly Metal Injection Moulding and in Additive Manufacturing industry.

Demand for metal powders for additive manufacturing has been rising primarily due to the increase in demand in end-user industries such as aerospace, medical and jewellery. Manufacturers of metal powders are striving to partner with original equipment manufacturers in order to improve the quality, consistency, and the overall performance of powders.

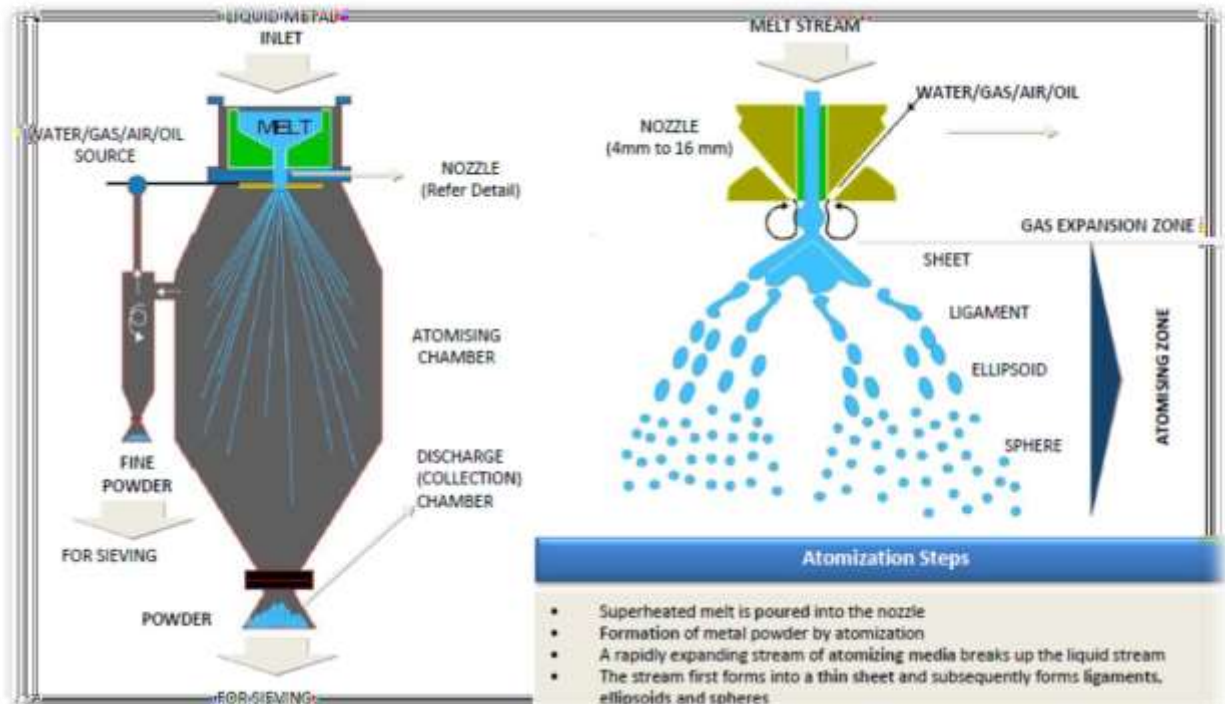
## PROCESS FLOW

### A. Manufacturing Process of Metal Powders

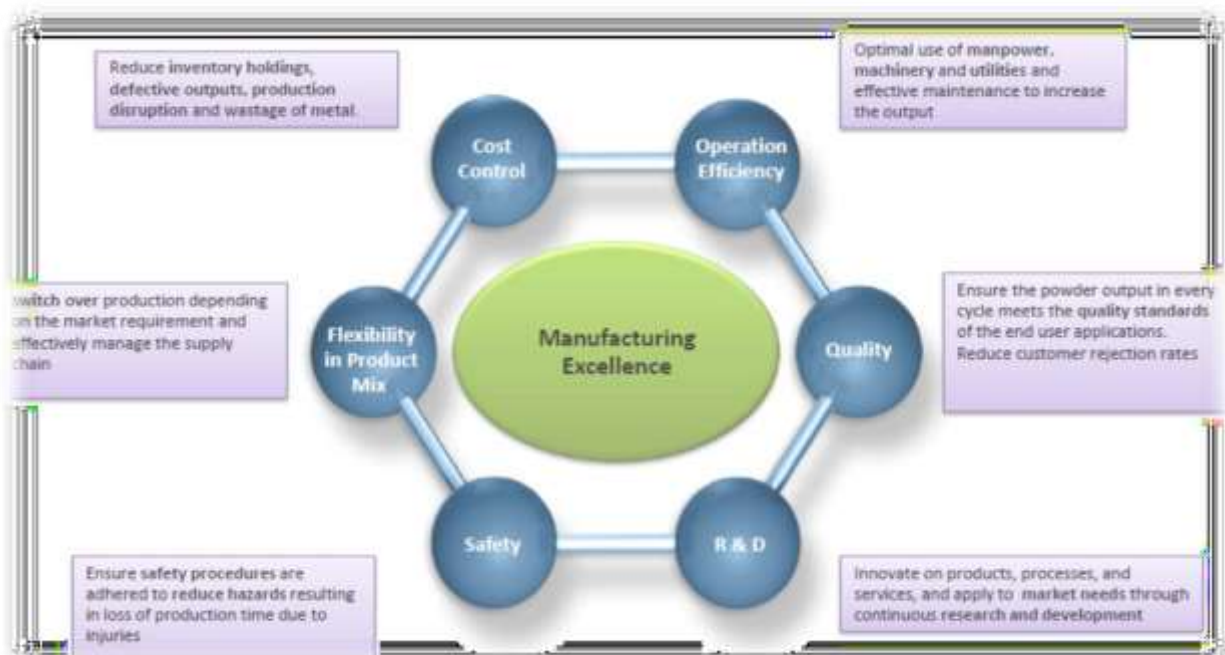
#### Atomizing Technology

Atomization is a process in which molten metal is made to pass through a small hole in the center of the atomizing nozzle. This stream of molten metal strikes the apex of the cone of a fast-moving high energy jet of water / gas and is dispersed into fine metal droplets. This fine spray is cooled rapidly and metal powder separated from the gas stream or dried in case of water atomization. The powder so collected is then sieved, graded, blended and packed.

#### Atomizing Process Set up



#### Factors for Successful Manufacturing



## **ADVANTAGES**

- In Principle atomization is applicable to all metals that can be melted, and is commercially used for the production of Iron, Copper, including tool steels, alloy steels, brass, bronze and the low-melting-point metals, such as Aluminium, tin, lead, zinc, cadmium.
- Important aspect of this technique is the rapid solidification of the powder from the melt.
- Ultrasonic Atomization

### **1. Raw Material**

- Raw Material is selected as per customer specification composition.
- Raw Material may contain purchased scrap, rejects (generated scrap in the plant), pure metals or master alloys. These may be ferrous or non-ferrous materials.

### **2. Melting**

- Melting is carried out in coreless induction melting furnace.
- The furnace is charged with purchased scrap/pure metals and melting is started at predetermined power and frequency.
- After melting, temperature is raised to specified tapping temperature.

### **3. Degassing**

- After molten material reaches specified tapping temperature, the slag is removed.
- Degassing / deoxidizing is carried out by adding suitable fluxes.

### **4. Atomization (Gas/Water)**

- Customer specified powder properties type of atomization process and its pressures are decided. In gas / water atomization, the required atomization pressures are preset.
- The molten metal is poured in a tundish with suitable nozzle. (Depending upon the particle size metal powder required.
- The molten metal flowing through the nozzle is bombarded with water /gas at preset pressure.
- Sequence of operations in case of water atomization – start slurry pump and high-pressure water pump. Pour the liquid metal in to tundish with suitable nozzle.
- In case of gas atomization – start the blower and open gas valve and pour liquid metal in to tundish with suitable nozzles.
- Collect the powder from settling tank / cyclone and spray tower

### **5. Drying**

- In case of water atomization, the atomized powder is dried at 150° C for one hour either in a rotary drier or a tray drier and dry powder is stored in polythene bags/ containers;
- Rotary Drier – Rotary drier comprises of a 500mm Ø pipe placed at suitable inclination in a furnace held at a boot 225°C and the pipe is continuously rotated at a speed of 8 to 10 RPM. Wet powder is charged at higher end of the tube and dried powder is collected is lower end.
- Tray Drier – Wet powder is placed in aluminium trays of suitable size and heated from bottom for required time.

### **6. Sieving**

- Dried powders are poured in to vibratory siever. The sieve size is selected as per the requirements of the customers. The portion of powder that does not pass through the sieve is taken for re-melting.

### **7. Annealing/Reduction/Sintering**

- Metal powders are annealed/reduced in a cracked ammonia atmosphere pusher type/ continuous belt type furnace. The furnace temperature ranges between 250 °C to 1100°C depending on the material.
- The furnace has three temperature zones with independent temperature controls. Furnace temperature is raised to the desired value in each zone.
- Before pushing the bolts, the furnace muffle is purged with Nitrogen gas so as to displace the air present in the furnace.
- Dissociated/cracked ammonia gas (70% Hydrogen + 30% Nitrogen) cracked in a separate ammonia cracker is passed through the furnace muffle in which boats half filled with powder to be annealed are loaded.
- After annealing for 30-40 minutes the boats are pushed in to cooling zone of the furnace.
- After cooling for about 20-30 minutes, the boats are unloaded from the furnace.

## **8. Pulverizing**

- During annealing process, the powders are partly agglomerated. The equipment comprises of a drum in which the agglomerated powder is placed along with steel balls and rotated. During this process the powder gets pulverized to disintegrate into powder particles.

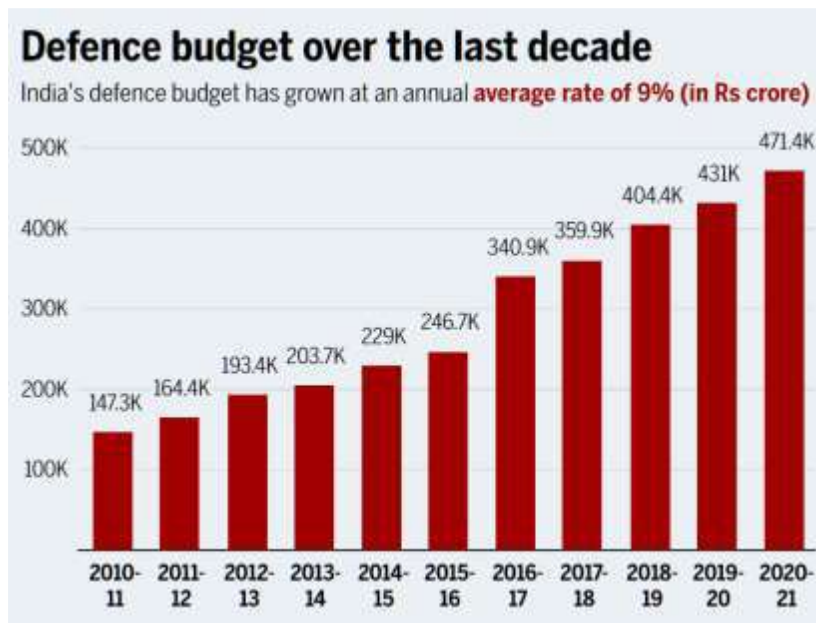
## **9. Vacuum Packing**

- The finished products (metal powders) are packing in polythene bags. The bags are subjected to vacuum wherein all the air particles and entrapped in the powder is removed and then the bags are hot sealed. The equipment consists of a chamber connected to a rotary vane type vacuum pump.

## **Market Potential for Tungsten Heavy Alloys**

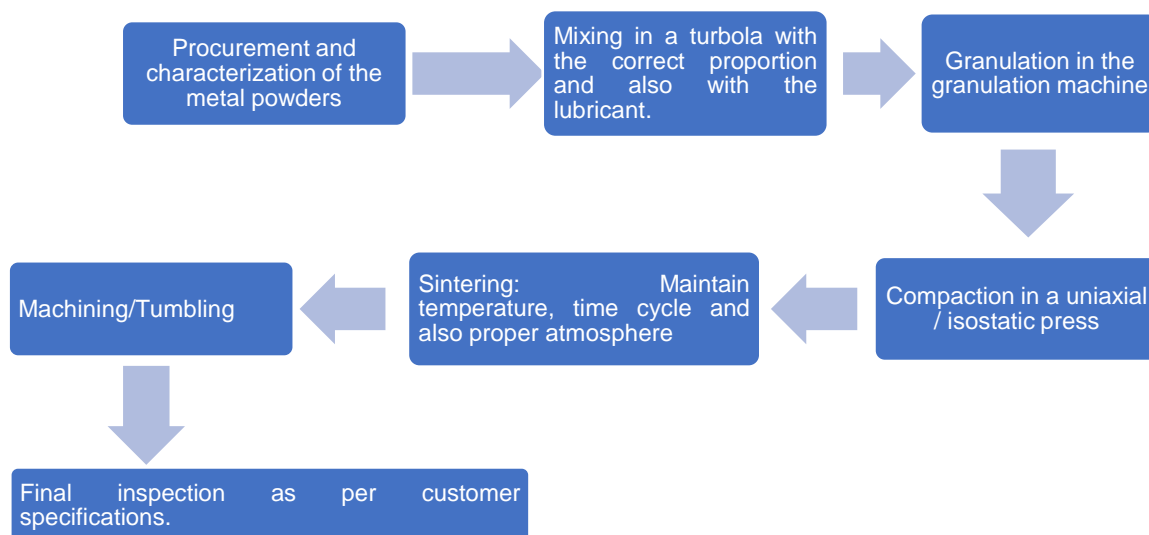
### Indian Defence Market

- The Indian Defence Budget is USD 65.64 billion for 2021-22 growing at a CAGR of 12%.
- India is the second largest arms importer in the world.
- The domestic defence production is around USD 11 Bn and expected to reach USD 25 Bn by 2025.
- Government has increased the FDI limit up to 100% (75% under automatic route) for the sector.
- Demand growth is likely to grow further with raising concerns of national security.
- Government plans to spend USD 130 billion on military modernization in the next five years.
- MOD --“Import Embargo” on 101 Military Items (artillery guns and assault rifles) offer potential manufacturing opportunities for the domestic defence industry.
- MOD - “Offset Policy”
- MOD – “ATMA NIRBHAR BHARAT Policy”



Source : IBEF

#### A. Manufacturing Process of Tungsten Heavy Alloys



Tungsten Heavy Alloy is an alloy of Tungsten, Nickel and Iron/Copper. The percentage of tungsten in the alloy generally varies from 90-95% depending upon the application and the balance is Nickel and Iron/Copper in the ratio of 7:3.

The raw materials are purchased from national/international sources for use in production process are checked for conformity to specifications before release for production. The specifications of powders normally have two parts.

- A. Chemical Composition-Purity level of main element and corresponding impurity levels.
- B. Physical Properties such as apparent density and average particle sizes.

Based on customer requirements in addition to manufacturer's test certificates, independent testing/analysis may have to be carried out at NABL accredited laboratories and/or Government owned laboratories.



## **1. Powder Mixing**

In this operation, the three elemental powders, namely Tungsten, Nickel and Iron/Copper are mixed in the required proportion in a double cone blender for about an hour for achieving chemical homogeneity. A sample of mixed powder is checked to ensure homogeneity of the mix.

## **2. Wet Mixing**

The powder mix that is cleared for homogeneity is taken for wet mixing. This operation is carried out in a planetary mixer. About 20 kgs of QC cleared powder mix is taken in to Stainless Steel Container of Planetary mixer. To this about 2% by weight of proprietary binder and proportionate quantity of solvent are added. The planetary mixer is operated for 20-25 minutes at moderate speeds. By this operation dough of desired consistency is produced.

## **3. Drying**

The dough thus produced is taken into a clean a tray and allowed to dry for about 20 minutes.

## **4. Granulation**

The dried dough is taken for granulation in ordered to improve its flow properties. A suitable mesh is fixed in the granulator and the dough mix is gradually fed in to the granulator. The granulator powder is collected in a tray below the granulator.

## **5. Drying**

The granulated powder is dried in open atmosphere for 3 to 6 hours depending upon the ambient temperature. The powder thus dried is passed through BSS 22 mesh and 150 mesh sieves. the fraction of powder that has passed through 22 mesh and is retained on 150 mesh is loosely packed in polythene covers for further processing. The material which has not passed through BSS 22 mesh and also which has passed through BSS 150 mesh is taken back for wet mixing (Recycling).

## **6. Green Compacts**

The powder thus obtained is made into green compacts. For making green compacts two deferent methods are followed.

- a. Small components such has 6mm spheres, 7 mm cuboids etc., are processed in Tableting machine.
- b. Bigger components are processed through cold isostatic pressing (CIP).

Tableting machine – the machine comprises 16 sets of dies and punches. While the die is fixed there are equal number of top and bottom punches which move axially. The top and bottom punches are shaped in the form of the component.

The table containing dies rotate and the punches move in axial direction operated through suitable cans.

Granulated Powder is fed in the hopper and finished components are collected in a collecting tray. The greens thus produced are continuously checked for their consistency of quality and dimensions.

CIPPING- The equipment consists of a thick-walled stainless-steel vessel capable of which standing hydraulic pressure up to 10000 bar. The requisite hydraulic pressure is generated through an intensifier.

The granulated powder to be compacted is packed in special rubber bags and placed in a container.

These are loaded into the CIP chamber and hydraulic pressure up to 2000 atmospheres is applied. After pressurizing the compact for preselected time, the system is decompressed at a predetermined rate. The product is taken out and is called green compact.

## **7. Dewaxing**

Dewaxing operation is carried out at a temperature of 900°C in a cracked ammonia atmosphere pusher type muffle furnace. The operation is briefly described as under.

The furnace muffle is heated to a temperature of 900°C. The muffle is purged with nitrogen gas to displace air present in the muffle. Cracked ammonia gas (70 % hydrogen + 30 % Nitrogen) produced separately in an ammonia cracker is passed through the muffle of the furnace. Nitrogen Curtain is maintained at both ends of the furnace. These curtains are available only while loading & unloading the boats in to the furnace.

The green compacts are placed in trays and pushed in to the furnace at predetermined intervals. After allowing the boats in the furnace for a predetermined time they are taken out of the furnace. The product is called presintered / dew axed component.

## **8. Sintering**

The furnace used for this process is a high temperature furnace with molybdenum heating elements and capable of heating the charge up to a temperature of 1600°C This is also a cracked ammonia atmosphere furnace. The furnace can also be operated with hydrogen atmosphere.

The furnace is heated to a temperature of  $1535 \pm 10$  ° C by following a predetermined CYCLE. PID controllers are employed for precise control of temperature. The de waxed components are placed on molybdenum bats over a thick layer of fine alumina powder. It is ensured that alumina exists between the de waxed components and again the components are covered with alumina. The bats are pushed into the furnace at predetermined intervals. The bats are drawn out of the cold zone of the furnace after allowing for predetermined time in the furnace. The tungsten heavy alloy components or machined to the required sizes and shapes as require.

## **9. Testing**

The components are subjected to visual, dimension, mechanical & metallurgical tests as per customer's specifications.

## **10. Packing**

The tungsten heavy alloy components are securely packed as per customer's instructions and dispatched.

## **Environmental Analysis**

Reuse and recycling

The water that is used in the water atomization process is decanted and re-used. There is Evaporation loss for the cooling tower.

Decantation is a process for the separation of mixtures, by removing a layer of liquid, generally one from which a precipitate has settled. The purpose may be either to produce a clean decant, or to remove undesired liquid from the precipitate (or other layers).

## **Effluent Management**

There is no effluent discharged in the manufacturing process of both the products "INNOMET" and "INNOTUNG".

## OUR STRATEGY

- Import substitution
- Going up the technology chain
- Components for Hydrogen Economy
- Materials for EV Battery
- Working with IITs for indigenization of powders for Additive Manufacturing
- Implementing ERP
- Implementing Aerospace Standards
- Usage of Green Power

Our Business strategies are as follows:

- Focus on consistently meeting quality standards
- Deepen and expand our geographical presence
- Strengthening up our business through effective branding, promotional and digital activities
- Maintaining cordial relationship with our Suppliers, Customer and employees

## SALES AND MARKETING

Our Marketing team consists of 5 people.

## UTILITIES

### Infrastructure

Our Registered Office is well equipped with computer systems, internet connectivity, other communication equipment and security, etc., which are required for our business operations.

### Power

We have arrangements for regular power supply at our office premises and factories. We depend on state electricity supply for our power requirements and utilize generator to ensure that our facilities are operational during power failures or other emergencies. We are in the process of establishing 250 KVA Roof-Top Solar Power (Green Power Initiative) at our new factory premises.

### Water

We source our water requirements from municipality at our office. Our water requirement is minimal, sanitation, and firefighting purposes.

## COMPETITION

### Metal Powders

- Metal Powder company Ltd. (MEPCO), TamilNadu
- Sarda Industrial Enterprises, Rajasthan
- SLM Metal Pvt Ltd, Orissa
- Maharashtra Metal Powders Ltd, Mumbai
- Detailed project report of Padmasree Enterprises 24
- Makin Metals, UK
- ACU Powders, USA
- Ecka Granules, Germany
- Daido Steel, Japan

## Tungsten Heavy Alloys (THA)

- Plansee, Austria
- Kennametal, USA
- HC Starck, Germany

## COLLABORATIONS/JOINT VENTURES / TIE UP'S

The Company has not entered into any collaborations/joint ventures/tieups.

## EXPORT OBLIGATION

As on date of the Draft Prospectus. Our company has no outstanding export obligation.

## HUMAN RESOURCE

We believe that our employees are the key to the success of our business and our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. As on, we have the total strength of 58 employees (33 on Payroll and 25 on Contract basis) in various departments.

Classification	No. of employees
Operational Department	19
Sales & Marketing Department	4
Purchase & Procurement Department	6
Legal and Compliance Department	1
Finance Department	3
Others	25
Total	58

## INTELLECTUAL PROPERTY

The Company has the following Trademarks:

Description	Trademark Number / Application No./ Registration Certificate Number	Class(es)	Date of Application	Validity
INNOTUNG*	4067687	6	25/01/2019	Registration is for 10 years from the date of application
INNOMET*	4067688	6	25/01/2019	Registration is for 10 years from the date of application

\* The Company had allotted 10,44,000 Equity Shares against the trademark. Further the application for assignment of said Trademark is under process with the respective Trademark Registry.

## IMMOVABLE PROPERTY

### Owned Properties

The Company have one owned property in its own name. The details of the property owned is given below:

<b>Date of Agreement</b>	August 22, 2019
<b>Address of Property</b>	Plot No. F 35 & F 36, FICCI-FLO, Ameerpur Mandal, Sultanpur, Sangareddy District, Telangana.
<b>Description of Property</b>	Plot No. F 35 & F 36 measuring 7767.14 Sq Mtrs. Situated at FICCI-FLO, IP-Sultanpur, Ameerpur Mandal, Sangareddy District survey No. 70 & 174.
<b>Usage</b>	Manufacturing Unit

## INSURANCE

Our Company has maintained insurance policy to cover our stocks of all kinds of Medical Device whilst kept or stored in insured Warehouse.

<b>Name of the Insurance Company</b>	SBI General Insurance
<b>Type of Policy</b>	Laghu Business Package Insurance Policy
<b>Policy Number</b>	0000000037245395
<b>Period of Insurance</b>	From: 15/01/2024 (00:00 Hrs) To: 14/01/2025 Midnight
<b>Premium (₹) +GST</b>	1,05,285/-
<b>STOCK DETAILS</b>	
<b>Sum Insured</b>	Building including plinth, basement and additional Structures – Rs.3,60,00,000 Plant & Machinery – Rs.3,50,00,000 Stocks – Rs.9,50,00,000 <b>Total Rs.16,60,00,000</b>

## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 225 of this Draft Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### SEBI REGULATIONS

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / 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. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods

or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

### **National Non-Ferrous Metal Scrap Recycling Framework, 2020:**

The main objectives of this framework is to promote a formal and well organized recycling ecosystem by adopting energy efficient processes for recycling leading to lower carbon footprints and to work towards sustainable development and intergenerational equity and to minimize the effect of end of life products on landfills and environmental pollution by promoting an environmentally sound processing and recycling system for secondary industry so as to work towards economic wealth creation, job creation and increased contribution to GDP through metal recycling. The framework further aims to promote 6Rs principles of Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture through scientific handling, processing and disposal of all types of non-ferrous scrap, through authorized centers /facility and to produce high quality scrap for quality secondary production thus minimizing the dependency on imports. The Framework aims to work towards having a sustainable non-ferrous metal recycling eco-system in the long run. The implementation of the Framework has to be seen as systems activity spanning multiple stake-holders with significant impact on economic, strategic, energy and environmental sectors. . The government will encourage and provide support to Research & development (R&D) in Metal scrap recycling.

### **The Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018 and amendments thereto**

The BIS Act and rules made thereunder, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009, as amended (the “Metrology Act”), was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods 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 by each state.

### **Standards of Weights and Measures Act, 1976**

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

### **The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boilers Regulations”)**

The Boilers Act provides for inter alia the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for penalties for illegal use of boilers. The Boilers Regulations provide for inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

### **The Explosives Act, 1884 (the “Explosives Act”) and the Explosives Rules, 2008 (the “Explosive Rules”)**

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives.

Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.



### **Steel Scrap Recycling Policy 2019**

The Ministry of Steel, Government of India has introduced the Steel Scrap Recycling Policy, 2019 (“Policy”) which envisages a framework to facilitate and promote establishment of metal scrapping centers in India. The policy aims to ensure scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe and environmentally sound manner. The policy aims to achieve the following objectives – (i) to promote circular economy in the steel sector, (ii) to promote a formal and scientific collection, dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap; (iii) processing and recycling of products in an organized, safe and environment friendly manner; (iv) to evolve a responsive ecosystem by involving all stakeholders; (v) to produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports; (vi) To decongest the Indian cities from ELVs and reuse of ferrous scrap; (vii) to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous & Other Wastes (Management & Transboundary Movement ) Rules , 2016 issued by MoEF & CC; and (viii) to promote 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including nonferrous scraps, through authorized centers / facility.

### **Industries (Development and Regulation) Act, 1951, as amended (“IDR Act”)**

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defense equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Commerce and Industry, Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT). The main objectives of the IDR Act is to empower the Government to take necessary steps for the development of industries, to regulate the pattern and direction of industrial development, and to control the activities, performance and results of industrial undertakings in the public interest. The DPITT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

### **National Mineral Policy, 2008**

The National Mineral Policy, 2008 (hereinafter referred to as the “Policy”) is not a regulation but a policy document which lays down a broad policy framework for India’s Mineral Sector and it recommends measures like assured right to the next stage mineral concession, transferability of mineral concessions and transparency in allotment of concessions, in order to reduce delays which are seen as impediments to investment and technology flows in the mining sector in India.

The Policy also seeks to develop a Sustainable Development Work for optimum utilization of the Country’s natural mineral resources for the industrial growth in the Country and at the same time improving the life of the people living in the mining areas, which are generally located in the backward and tribal regions of the Country.

The Policy focuses on achieving global competitiveness not only in terms of cost, quality and product mix, but also in terms of global benchmarks of efficiency and productivity.

The Government proposes to create incremental demand for domestic consumption via promotional efforts, awareness drives and strengthening the delivery chain, particularly in rural areas. On the supply side the strategy would be to facilitate creation of additional capacity, remove procedural and policy bottlenecks in the availability of inputs such as iron ore and coal, make higher investments in R&D and HRD and encourage the creation of infrastructure such as roads, railways and ports.

### **National Non-Ferrous Metal Scrap Recycling Framework, 2020**

The National Non-Ferrous Metal Scrap Recycling Framework, 2020, as amended (the “Non-Ferrous Metal Recycling Framework”) issued by the Ministry of Mines, Government of India, envisages bringing both product and processing stewardship to enhance Non-Ferrous Metal recycling. Its

objectives include, inter alia, promotion of a formal and well organized recycling ecosystem; adoption of data-based analysis and policy making at all stages of the recycling chain; production of high quality scrap for quality secondary production whilst minimizing the dependency on imports; achieving technological leadership in scientific methodology; bettering the quality of scrap produced; and to promote the 6Rs principles of Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture through scientific handling, processing and disposal of all types of non-ferrous scrap, through authorized centers / facility. The Non-Ferrous Metal Recycling Framework aims to achieve its goal of having a sustainable non-ferrous metal recycling eco-system in the long run by, inter alia, setting up a central authority for recycling of metals which may be called as Metal Recycling Authority; placing obligations on the stakeholders involved in the process; setting up an institutional mechanism for carrying out studies and advance research in the field of recycling of metal; and by having the government encourage and provide support to research & development in metal scrap recycling. It also aims to develop specified metal recycling zones with facility for collection, segregation, dismantling etc. of metal scrap and ensure quality control by fixing minimum infrastructure requirement for recycling units with clear minimum standards and criteria for the processing of recyclables to produce consistent, high quality streams of recyclable material.

### **The Aluminium (Control) Order, 1970**

The Central Government in exercise of the powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955), made the Aluminium (Control) Order, 1970.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification no. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder:**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’

within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

## **LAWS RELATED TO ENVIRONMENTAL LAWS**

### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **Environment (Protection) Act, 1986 as amended (“EPA”)**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where

industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

### **Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization has been relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **The Noise Pollution (Regulation and Control) Rules, 2000**

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

### **The Public Liability Insurance Act, 1991 (the “PLI Act”) and the Public Liability Insurance Rules, 1991(the “PLI Rules”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to

contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **The Patents Act, 1970:**

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **Code on Wages, 2019**

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few sections of the Code have yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Industrial Relations Code, 2020**

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

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social

Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the "ESIC Act")**

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

### **Factories Act, 1948**

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

### **Industrial Disputes Act, 1947, as amended (the "ID Act")**

The ID Act provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person. The Industrial Dispute (Central) Rules, 1957 inter-alia specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

### **Industrial Employment (Standing Orders) Act, 1946**

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to

submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

### **Employees' Compensation Act, 1923**

The Employees' Compensation Act, 1923 ("ECA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The ECA makes every employer liable to pay compensation in accordance with the ECA if a personal injury/disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the ECA within one month from the date it falls due, the commissioner appointed under the ECA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressa") Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

## OTHER GENERAL REGULATIONS

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Municipality Laws**

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

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

### **Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

## PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.



## HISTORY AND CORPORATE STRUCTURE

### Brief History of our Company

Our Company was originally formed as a partnership firm under the name and style of “M/s. Padmasree Enterprises” pursuant to a deed of partnership dated March 07, 1984, as amended from time to time. M/s. Padmasree Enterprises was thereafter converted into a private limited Company “Innomet Advanced Materials Private Limited” pursuant to the provisions of Chapter XXI of the Companies Act, 2013 on January 29, 2019 and fresh a certificate of incorporation dated April 24, 2019 was issued by Registrar of Companies, Central Registration Centre. Subsequently, the name of our Company was changed to Innomet Advanced Materials Limited upon conversion to a public limited company pursuant to a Board resolution dated September 07, 2023 and a resolution passed in the extra-ordinary general meeting of the shareholders held on September 18, 2023 and consequently a Fresh Certificate of Incorporation dated November 9, 2023 was issued by the Registrar of Companies, Hyderabad. The Corporate Identification Number of our Company is U27101TG2019PLC132262.

There were seven (7) subscribers when our company converted from Partnership firm to Private Limited Company.

Lakshmi Kanthamma Chilakapati, Saritha Devi Chilakapati, Vinay Choudary Chilakapati, Harinath Prasad Chilakapati, Sai Babu Kothapalli, Asha Latha Kolli, Balaji Kolli.

For further details of our promoters please refer the chapter titled ‘*Our Promoters and Promoter group*’ beginning on page 164 of this Draft Prospectus.

### Changes in Our Registered Office

Registered Office of the Company is presently situated at B-31, BHEL Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad-502032, Telangana, India.

The company has not changed its registered address since its incorporation.

### Key events and milestones

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

1984	M/s. Padmasree Enterprises
1998	Started a proprietorship called Prasad Innovations, engaged in the manufacture of Diamond Tools
2005	Diversified and concentrated into Metal / Alloy powder manufacturing
2010	Entered into advanced technological Tungsten Heavy Alloys space
2018	MoU with IIT Madras for Development of ODS alloys.
2019	Conversion of Partnership firm into private Limited Company in the name and style of “Innomet Advanced Materials Private Limited”
2020	Company has achieved a Turnover of more than ₹ 1000 Lakhs.
2020	Entered into agreement with International Advanced Research Center for Powder Metallurgy and New Materials (ARCI) Hyderabad are partnering to co-develop a self-disinfecting paint namely Photocatalyst-assisted Copper Based Mineral Paint

	for Hospitals to fight against COVID-19.
2022	Company has achieved a Turnover of more than ₹ 2000 Lakhs.
2023	Conversion of our company from Private Limited to Public Limited Company in the name and style of “Innomet Advanced Materials Limited”

### Letters of Appreciation, Awards and Recognitions

We have received letters of Appreciation from our clients for our products namely:

Client Name	Name of our Product
Gun & Shell Factory, Cossipore, Indian Ordnance Factory, Ministry of Defence	Confirmation of established supplier for Tungsten Alloy Cube 2.8mm
DRDO, Hyderabad	Tungsten Fragments by powder metallurgy techniques
Sundram Fasteners Limited	Minus-200 Grade Copper powder
Rivon Engg Co	Minus-325 Grade Bronze Powder
Höganäs India Pvt Ltd	quality supplies of Additive grade Copper Powders (This was earlier being imported from Europe)
HAL, Bengaluru	Balancing Weights and Adjusting Spares made from Tungsten Heavy Alloys (These were earlier being imported from Germany and France)
BRIT, Department of Atomic Energy	Critical Tungsten Syringe Shield (gamma radiation shielding)

### Accreditations and Certifications

Our Company has received the following accreditations and certifications:

Year	Certificate	Issuing authority
2021	Certificate for ISO 9001:2015 has implemented Quality Management System	TÜV SÜD South Asia Private Limited
2022	Certificate for ISO 9001:2015 has implemented Quality Management System	TÜV SÜD South Asia Private Limited

### Number of Shareholders of our Company

Total number of Shareholders of our Company as on the date of this Draft Prospectus is 19 (Nineteen).

### Corporate Profile of our Company

Innomet Advanced Materials Limited has 2 divisions with brand names i.e., (1) Innomet Powders and (2) Innotung i.e. The Tungsten Heavy Alloys

Through Innomet Powders, we are global manufacturers of Metal and Alloy powders through water and air atomization route. We have over 20 products including Copper, Bronze, Brass, Nickel, Tin and Stainless-Steel Powders for several industries and specialize in manufacturing customized grades of Metal/Alloy powders containing Iron, Copper, Nickel, Tin, Zinc and Cobalt.

Applications we are currently catering to include Powder Metallurgy Components, Diamond tools,

Welding and Brazing, Catalyst, Surface Coating's, and many others.

We have a lot of passion towards Innovation and developing new products for our customers.

We encourage R&D divisions of the companies to work with us in their projects related to Powder Metallurgy and assist them with our infrastructure and expertise in whatever capacity we can.

Innotung, is the brand name for "The Tungsten Heavy Alloys" series manufactured through Powder Metallurgy route by "Innomet Advanced Materials Limited". We supply the material in the form of bars, plates, cubes, spheres and assemblies of various sizes and shapes also in finished machined condition as per customer drawings.

Applications include Radiation shielding, Boring bars, Dead Weights, Centre of gravity adjustors and Defence and Ammunition.

Features:

1. Density: 17-18.5 g/cc
2. Hardness: 30 Hrc (Min)

Our customer segments include BRIT, EBC, BARC for radiation shielding products, Ordnance factories across India and R & D Organisations such as DMRL, PGAD, TBRL, ARDE, NSTL for Defence products and HAL, RCI, DRDL and reputed companies overseas for Aeronautic & Aerospace products.

We possess the complete technology, infrastructure and human resource for development and commercial production. The Tungsten products are classified as INNOTUNG 90, INNOTUNG 95 & INNOTUNG 98 based on their composition and include both Magnetic & Non- Magnetic varieties.

The human resources include Scientists of National & International repute.

We also produce Tungsten Copper Alloys for applications in Electrical Contacts, Heat Management systems, etc.

We are an ISO 9001:2008 certified company with Domestic and International customers based out of US, UK, Japan, Italy, New Zealand, Lebanon, Brunei and many other countries. Import substitution is one of the key focus areas for us and we can proudly say that we have developed several import substitute products for our customers in India.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any Revaluation of assets, etc. if any, in the last ten years**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years preceding the date of this Draft Prospectus.

**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 as contained in our Clause III (A) of Memorandum

of Association of our Company are as follows:

1. *Manufacturing, trading, import and export of ferrous and non-ferrous metal powders used extensively in the field of powder metallurgy, diamond tools, engineering coatings, decorative applications and manufacturing Powder Metallurgy Components and other General Engineering activities.*
2. *To acquire all properties, assets, liabilities etc of M/s Padmsree Enterprise having GST No 36AACFP1561F1ZI and PAN AACFP1561F owned/ represented by Mrs Lakshmi Kanthamma Chilakapati, Mrs Saritha Devi Chilakapati, Mr Vinay Choudary Chilakapati, Mr Harinath Prasad, Mr Sai Babu Kothapalli, Mrs. Asha Latha Kolli, Mr Balaji Kolli, Partners and said properties, assets, liabilities etc being transferred to M/s Innomet advanced materials Private Limited.*

### **Amendments to the MoA of our company since incorporation**

Since incorporation, the following amendments have been made to the MoA of our Company:

<b>Date of Shareholders' resolution/ Effective date</b>	<b>Amendments</b>
June 28, 2019	Sub-clause 2 of Clause III(A) of the Main Objects Clause in the Memorandum of Association were amended as follows: "2. <i>To acquire all properties, assets, liabilities etc of M/s Padmsree Enterprise having GST No 36AACFP1561F1ZI and PAN AACFP1561F owned/ represented by Mrs Lakshmi Kanthamma Chilakapati, Mrs Saritha Devi Chilakapati, Mr Vinay Choudary Chilakapati, Mr Harinath Prasad, Mr Sai Babu Kothapalli, Mrs. Asha Latha Kolli, Mr Balaji Kolli, Partners and said properties, assets, liabilities etc being transferred to M/s Innomet advanced materials Private Limited.</i> "
March 03, 2022	Increase of the authorised share capital of our Company from ₹18,832,480 (Rupees One Crores Eighty-Eight Lakhs Thirty-Two Thousand Four Hundred Eighty) consisting of 18,83,248 (One lakhs Eighty-Eight Thousand Two Hundred Forty-Eight) Equity Shares of ₹10 each to ₹3,00,00,000 (Three Crores) consisting of 30,00,000 (Thirty Lakhs) Equity Shares of ₹10 each.
August 19, 2023	Increase of the authorised share capital of our Company from ₹3,00,00,000 (Rupees Three Crores) consisting of 30,00,000 (Thirty Lakhs) Equity Shares of ₹10 each to ₹1,40,00,000 (Rupees Fourteen Crores) consisting of 1,40,00,000 (One Crore Forty Lacs) Equity Shares of ₹10 each
September 18, 2023	Conversion of our Company from Private Limited to Public Limited Company. The name of our Company was changed to Innomet Advanced Materials Limited upon conversion to a public limited company pursuant to a Board resolution dated September 07, 2023 and a resolution passed in the extra-ordinary general meeting of the shareholders held on September 18, 2023 and consequently a Fresh Certificate of Incorporation dated November 9, 2023 was issued by the Registrar of Companies, Hyderabad.

### **Holding Company of Our Company**

The Company is not a subsidiary of any Company and hence there is no Holding Company as on the date of filing of this Draft Prospectus.

### **Subsidiary Companies of Our Company**

The Company has not any Subsidiary Companies/Associate Companies as on the date of filing of this Draft Prospectus.

### **Joint Venture(s) of Our Company**

Our Company does not have any joint ventures as on the date of filing of this Draft Prospectus.

### **Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation, Revaluation of Assets etc.**

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 since inception.

### **Shareholders' Agreement**

There are no shareholders' agreement among our shareholders vis a` vis our company on the date of filing of this Draft Prospectus.

### **Significant financial or strategic partnerships**

Our Company does not have any significant financial or strategic partnerships as on the date of filing of this Draft Prospectus.

### **Time and Cost Overruns in Setting up Projects**

There have been no time and cost overruns in any of the projects undertaken by our Company as on the date of this Draft Prospectus.

### **Launch of key products or services, entry into new geographies or exit from existing markets**

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" beginning on page 112 of this Draft Prospectus.

### **Defaults or Rescheduling/ Restructuring of Borrowings with Financial Institutions/Banks**

There have been no Defaults or Rescheduling/ Restructuring of borrowings with financial institutions/banks.

### **Agreements with Key Managerial Personnel, Senior Management, Promoters or Directors or any other employee**

There are no agreements entered into by our Key Managerial Personnel, Senior Management, Promoters, Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

### **Material Agreements**

Our Company, our Promoters, the members of the Promoter Group and, or, the Shareholders are not party to any agreements, including any deed of assignment, acquisition agreement, shareholders' agreement, inter se agreement/arrangement or agreements of like nature, with respect to securities of our Company. Further, we confirm there are no other clauses or covenants which our Company, our Promoters, the members of the Promoter Group or the Shareholder are a party to, in relation to securities of our Company, which are material and adverse or pre-judicial to the interest of the minority/ public shareholders.

### **Details of guarantees given to third parties by the Promoters offering their shares in offer for sale**

This is a fresh issue of Equity Shares and our Promoters are not offering their Equity Shares in offer for sale. For details of guarantees given by our Promoters in relation to the credit facilities availed by our Company, see '*Financial Indebtedness*' on page 205.

### **Strategic or Financial Partners**

Our Company does not have any strategic or financial partner(s) as on the date of this Draft Prospectus.

### **Injunctions or Restraining Orders**

Our Company is not operating under any injunction or restraining order. Please refer our chapter titled "*Outstanding Litigations and Material Developments*" on page 219.

### **Changes in the activities of our Company in the last Five years**

There have been no changes in the activities undertaken by our Company during a period of five years prior to the date of this Draft Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

### **Changes in the Management:**

For details of change in Management, please see chapter titled "*Our Management*" on page 141 of the Prospectus.

### **Lock-Out and Strikes**

There have been no material instances of strikes or lock-outs at any time in our Company.

## OUR MANAGEMENT

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors.

As of the date of this Draft Prospectus, our Board comprises of 6 Directors, of whom 3 are Executive Directors (including 2 woman Directors), and 3 are Independent and Non-Executive Directors.

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

Sr. No.	Name, Address, Designation, Occupation, Tenure, DIN and Date of birth	Nationality	Age	Directorships in other companies and LLPs
1.	<p><b>Vinay Choudary Chilakapati</b></p> <p><i>Address:</i> A-201, Aparna Sarover, Kanchangachibowli, Nallagandla, Gopanpally, K.V. Rangareddy, Hyderabad- 500107 Telangana, India</p> <p><i>Designation:</i> Managing Director &amp; Chief Executive Officer</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> For a period of 5 (Five) years with effect from May 02, 2019 to May 1, 2024*</p> <p><i>Period of directorship:</i> Since May 02, 2019</p> <p><i>DIN:</i> 08444644</p> <p><i>Date of Birth:</i> May 05, 1970</p>	Indian	53 years	<p>Public Limited Companies:</p> <p>Nil</p> <p>Private Limited Companies:</p> <p>Nil</p> <p>Foreign Companies:</p> <p>Nil</p>
2.	<p><b>Saritha Devi Chilakapati</b></p> <p><i>Address:</i> A-201, Aparna Sarover, Kanchangachibowli, Nallagandla, Gopanpally, K.V. Rangareddy, Hyderabad- 500107 Telangana, India</p> <p><i>Designation:</i> Whole Time-Director &amp; Chief Financial Officer</p> <p><i>Occupation:</i> Business</p>	Indian	49 years	<p>Public Limited Companies:</p> <p>Nil</p> <p>Private Limited Companies:</p> <p>Nil</p> <p>Foreign Companies:</p> <p>Nil</p>

Sr. No.	Name, Address, Designation, Occupation, Tenure, DIN and Date of birth	Nationality	Age	Directorships in companies and LLPs	in other
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*Term:* For a period of 5 (Five) years with effect from May 02, 2019 to May 1, 2024\*\*

*Period of directorship:* Since April 24, 2019

*DIN:* 08432017

*Date of Birth:* January 29, 1975

<b>3.</b>	<b>Lakshmi Kanthamma Chilakapati</b> <i>Address: H.No. 202, Block A, Aparna Sarovar, Nallagandla, Serilingampally, Lingampalli, K.V. Rangareddy, Hyderabad-500019, Telangana, India</i>	Indian	74 years	Public Limited Companies: Nil Private Limited Companies: Nil Foreign Companies: Nil	
	<i>Designation:</i> Executive Director				
	<i>Occupation:</i> Business				
	<i>Term:</i> Liable to retire by rotation				
	<i>Period of Directorship:</i> Since April 24, 2019				
	<i>DIN:</i> 08432016				

*Date of Birth:* August 05, 1949

<b>4.</b>	<b>Ramakrishna Rao Poda</b> <i>Address: 4-39A27, Nandi Organo, Aziz Nagar, K.V.Rangareddy, 500075 Telangana, India</i>	Indian	71 years	Public Limited Companies: Nil Private Limited Companies: Nil Foreign Companies: Nil	
	<i>Designation:</i> Non-Executive Independent Director				
	<i>Occupation:</i> Business				
	<i>Term:</i> For a period of 5 (Five) years with effect from August 24, 2023 till August 23, 2028				



Sr. No.	Name, Address, Designation, Occupation, Tenure, DIN and Date of birth	Nationality	Age	Directorships in companies and LLPs	in other
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*Period of Directorship:* Since August 24, 2023

*DIN:* 10294095

*Date of Birth:* August 15, 1952

<b>5.</b>	<b>Venkata Bhaskara Rao Chadalavada</b>	Indian	80 years	Public Limited Companies:	
	<i>Address:</i> Plot No 23, Navnirman Nagar Road No 71, Behind Jubilee Hills Public School, Film Nagar, Hyderabad, Shaikpet, 500033, Telangana, India			Nil	Private Limited Companies:
	<i>Designation:</i> Non-Executive Independent Director			Foreign Companies:	Nil
	<i>Occupation:</i> Business				
	<i>Term:</i> For a period of 5 (Five) years with effect from August 24, 2023 till August 23, 2028				
	<i>Period of directorship:</i> Director since August 24, 2023				
	<i>DIN:</i> 00931901				

*Date of Birth:* July 01, 1943

<b>6.</b>	<b>Abhiram Kolli</b>	Indian	35 years	Public Limited Companies:	
	<i>Address:</i> F-159, OCC Colony, Devapur Cement Works, Adilabad, Andhra Pradesh 504218 India			Nil	Private Limited Companies:
	<i>Designation:</i> Non-Executive Independent Director			Foreign Companies:	Nil
	<i>Occupation:</i> Business				
	<i>Term:</i> For a period of 5 (Five) years with effect from August 24, 2023 till August 23, 2028				

Sr. No.	Name, Address, Designation, Occupation, Tenure, DIN and Date of birth	Nationality	Age	Directorships in companies and LLPs	other
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Period of directorship: Since August 24, 2013

DIN: 09567136

Date of Birth: January 05, 1988

*\*The Members of the Company in the Extra-Ordinary meeting held on January 10, 2024 has re-appointed Mr. Vinay Choudary Chilakapati as a Managing Director of the Company for a further period of 5 years with effect from May 2, 2024 to May 1, 2029.*

*\*\*The Members of the Company in the Extra-Ordinary meeting held on January 10, 2024 has re-appointed Mrs. Saritha Devi Chilakapati as a Whole Time Director of the Company for a further period of 5 years with effect from May 2, 2024 to May 1, 2029.*

**Common directorships of the Directors in companies whose shares are/were suspended from trading on the stock exchange(s) for a period beginning from five (5) years prior to the date of this Draft Prospectus**

None of the Directors is/was are directors 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 (5) years.

**Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India**

None of the Directors is/ are directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors is/ are directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

None of our Directors are categorized as a willful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(ia) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoter or Directors has been or is involved as a promoter or director 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.

## Relationship between Directors or Directors and Key Managerial Personnel or Senior Management

Name of the Person	Relationship	Designation
Lakshmi Kanthamma Chilakapati	Mother of Mr. Vinay	Director
Saritha Devi Chilakapati	Wife of Mr. Vinay	Wholetime Director, CFO
Vinay Choudary Chilakapati	Son of Mrs. Lakshmi & Husband of Mrs. Saritha	Managing Director

Except as stated above and as disclosed in “*Our Management –Relationship amongst Key Managerial Personnel and among Key Management Personnel and directors*”, our directors are not related to any of the Key Managerial Personnel and Senior Management Personnel of our Company.

### Arrangement or understanding with major shareholders, customers, suppliers or others

There is no understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our directors has been appointed on the Board.

### Service contracts

For details, see- “*Compensation of Whole-time Director / Compensation of Managing Directors and/or Non-Executive Directors*” on page 147.

### Borrowing Powers of our Board

Our Articles of Association, subject to the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, authorizes our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company.

The shareholders have, pursuant to a special resolution passed at the Extra-Ordinary General Meeting held on January 10, 2024, in accordance with the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, have authorized our Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed ₹100 Crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled ‘*Description of Equity Shares and Terms of Articles of Association*’ beginning on page 286 of this Draft Prospectus.

### Brief profiles of our directors

#### Lakshmi Kanthamma Chilakapati

Mrs. Lakshmi Kanthamma Chilakapati, aged 74 years is the founding Promoter and is currently designated as Director of our Company. She was appointed as the First Director on the Board of our Company at the time of incorporation of our Company on April 24, 2019. She completed her school education below metric and does not have any educational certificates.

### **Saritha Devi Chilakapati**

Mrs. Saritha Devi Chilakapati, 49 years is a Whole Time Director & Chief Financial Officer cum Promoter of our company. She is a M.BA (Fin) by educational qualification. Her career started in her own first-generation business namely “Prasad Innovations” engaged in Diamond Tool manufacturing industry and worked for more than 8 years and later on she entered onto Metal Powder manufacturing by establishing Padmasree Enterprises, a family-owned Partnership Firm and subsequently converted into ‘Innomet Advanced Materials Private Limited. She has a work experience of more than 20 years in various departments like Purchase, Inventory management, Product costing, HR, ISO implementation, marketing and business development, strategy, and most importantly financial planning, working capital management, budgetary controls, financial structuring, mergers and demergers etc., which will be of great source of strength for the growth of the Company. In April 2020, she is a recipient of “100 Successful Women Entrepreneurs in MSME” award from the MSME ministry, Govt of India. She is on the Board of Studies, for the Commerce Department in St. Ann’s College for Women, Mehdipatnam, Hyderabad as an industry and Alumni member. She contributes in formulating the curriculum for B.Com., course with all specialisations, based on industry requirements. She is also a contributing member in the IIC, Innovation and Incubation Centre, at St. Ann’s College for Women, Mehdipatnam, Hyderabad, since its inception. As a committee member her role is to encourage startups, especially Women and students to take up the Entrepreneurial journey and formulate content for the programs planned. She is also a contributor in FICCI FLO, Hyderabad Chapter. She was heading the Incubation division for FY 19-20 & FY 20-21 and motivated members. She closely guided up to 60+ Women Entrepreneurs and worked with Pan India FLO Members. She was the backbone for the growth of the Company and has been a member of our Board since our Company’s incorporation/conversion. She has been looking after the day-to-day financial activities of the Company.

### **Vinay Choudary Chilakapati**

Mr. Vinay Choudary Chilakapati, aged 53 years is the Managing Director and Chief Executive Officer cum Promoter Group of our company. He completed his education in Mechanical Engineer. In the year 1984 he started Padmasree Enterprises a family-owned Partnership Firm and commence the operations in the field of General Engineering. In the year 1999, he started a proprietary firm named “Prasad innovations” to manufacture diamond tools for the dimensional stone processing industry. In the year 2005, he started research and development of metal powders with the help from senior scientists in the country. He keeps himself abreast with the latest happenings in the Powder Metal industry. In the year 2012, Padmasree Enterprises entered into serving the Indian Defence industry by manufacturing Tungsten Heavy Alloys. He regularly participates in the national conventions on Powder metallurgy and regularly in touch with scientists and experts in the related fields across the world. In the year 2019 Padmasree Enterprises has been converted into ‘Innomet Advanced Materials Private Limited’. He oversees the day-to-day activities of our Company and preparing strategies of our company.

### **Ramakrishna Rao Poda**

Mr. Ramakrishna Rao Poda, aged 71 years is a post-graduate in M.Sc., (Physical Chemistry) and he has more than 40 years’ experience in various capacities in various industries viz., paper, cement and sponge iron etc., with large industrial groups and his experience includes production enhancement in cement industries, implementation of projects, energy optimisation, maintaining pollution standards, revival of sick units sales improvement through customer education.

## **Venkata Bhaskara Rao Chadalavada**

Mr. Venkata Bhaskara Rao Chadalavada, aged 80 years became Deputy Chief Executive, Zircaloy Fabrication Plant a part of NFC. Mr. Rao has also been a consultant to a leading defence PSU: Midhani Industries. He completed his education in electrical engineering. Mr. Rao is an expert in powder metallurgy and in manufacturing processes. He is now leading the overhauling of manufacturing operations at Innomet, and will drive operational efficiency and help in setting up the new facility.

## **Abhiram Kolli**

Mr. Abhiram Kolli, aged 35 years is a seasoned professional in the field of computer science engineering, having pursued his studies at Osmania University from 2005 to 2009. Following his academic journey, Abhiram embarked on a successful career in the financial sector, holding key positions at HSBC and Credit Suisse from 2009 to 2019.

Notably, Abhiram spent the years 2015 to 2019 in Chicago, USA, where he served as an equity analyst for Credit Suisse. During this period, he honed his skills and gained valuable experience in the intricacies of financial analysis and investment.

In 2016, Abhiram took on the entrepreneurial challenge by founding Saras Analytics. Under his leadership, the company experienced substantial growth, evolving from an 8-person team to a formidable force of 200 professionals. His role at Saras Analytics showcased his adeptness in team building, strategic management, and fostering organizational expansion.

In 2022, Abhiram Kolli ventured into a new entrepreneurial endeavor with the establishment of Biva Analytics. Demonstrating his acumen in the startup landscape, he successfully raised a seed round of funding from Equanimity Investments, highlighting his capabilities in capital acquisition and business development.

Abhiram's professional journey underscores his extensive experience in building and leading teams, raising capital, and developing cutting-edge technology products. His commitment to innovation and entrepreneurship is evident in his diverse and impactful career.

## **Compensation of Whole-time Director / Compensation of Managing Directors and/or Non-Executive Directors**

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Directors.

### **A. Mr. Vinay Choudary Chilakapati**

**Mr. Vinay Choudary Chilakapati, Managing Director & Chief Executive Officer** in our Company

and has been appointed as Managing Director of the Company w.e.f. May 02, 2019. He was re-appointed as Managing Director & Chief Executive Officer of our Company pursuant to the resolution passed by our Board at its meeting dated December 15, 2023 and the Special Resolution passed by our Shareholders' on January 10, 2024 for a further period of 5 [Five] years with effect from May 2, 2024 to May 1, 2029.

Remuneration	Details
<b>Salary</b>	Basic Salary of ₹30 Lacs per month.
<b>Statutory Benefits</b>	i) Provident fund as per the Company Policies and applicable Law; ii) Gratuity as per Company Policies; and iii) All other statutory benefits the Employee is entitled to under applicable Law
<b>Other Benefits</b>	Benefits as applicable to the Employee under the Company Policies

#### B. Mrs. Saritha Devi Chilakapati

**Mrs. Saritha Devi Chilakapati** of our Company and has been associated with our Company since its conversion from partnership to company. She was one of the first directors of our Company appointed as a Whole Time Director of our Company pursuant to the resolution passed by our Board at its meeting dated April 24, 2019 and the Ordinary resolution passed by our Shareholders on May 02, 2019 for a period of five years with effect from May 02, 2019. Subsequently, she was appointed as Chief Financial Officer by the Board at their meeting held on August 24, 2023. She was reappointed as Whole time Director of our Company pursuant to the resolution passed by our Board at its meeting dated December 15, 2023 and the Special Resolution passed by our Shareholders' on January 10, 2024 for a further period of 5 [Five] years with effect from May 2, 2024 to May 1, 2029.

Remuneration	Details
<b>Salary</b>	Basic Salary ₹24 Lacs per month.
<b>Statutory Benefits</b>	i) Provident fund as per the Company Policies and applicable Law; ii) Gratuity as per Company Policies; and iii) All other statutory benefits the Employee is entitled to under applicable Law
<b>Other Benefits</b>	Benefits as applicable to the Employee under the Company Policies

#### Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in Financial Year 2022- 23 are set forth below:

S. No.	Name of Executive Directors	Remuneration (in ₹ Lakhs)
1	Mr. Vinay Choudary Chilakapati	30.00
2	Mrs. Saritha Devi Chilakapati	24.00
3	Mrs. Lakshmi Kanthamma Chilakapati	NIL

### Remuneration to our Non-executive Independent Directors:

The remuneration paid to the Non-Executive Independent Directors is, either by way of fees for attending the meetings of Board and its committees, reimbursement of expenses incurred by them to attend Board or committee meetings, and/ or in such other way as may be approved by the Board.

As the Independent Directors have been appointed on the Board in the present Fiscal Year, hence, no remuneration has been paid in the Financial Year 2023.

Other than the deferred remuneration payable as stated under heading '*Related Party Transactions*' under the section titled '*Restated Financial Information*' beginning on page 195, there is no deferred or contingent compensation payable to any of our Directors for Financial Year 2023.

### Bonus or profit-sharing plan of our directors

As on the date of this Draft Prospectus, our Company does not have a bonus or profit-sharing plan for our Directors.

### Shareholding of our Directors

Except as stated below, none of our directors hold any Equity Shares of our company as on the date of this Draft Prospectus is set forth below:

Sr. No	Name of Directors	Number of Equity Shares held	% of the pre-Issue Equity Share Capital
1.	Mrs. Lakshmi kanthamma Chilakapati	40,05,794	42.09%
2.	Mrs. Saritha Devi Chilakapati	40,59,228	42.65%
3.	Mr. Vinay Choudary Chilakapati	5,26,316	5.53%
	<b>Total</b>	<b>85,91,338</b>	<b>90.28%</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus.

The Articles of Association do not require the Directors to hold any qualification shares.

### INTERESTS OF OUR DIRECTORS

Our Executive Director & Non-Executive Directors may be deemed to be interested to the extent of remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them by our Company for attending meetings of our Board or committees thereof. For details, see- "**Compensation of Whole-time Director / Compensation of Managing Directors and/or Non-Executive Directors**" on page 147.

Further, except as disclosed under '*Shareholding of our Directors*' above, none of our directors hold any Equity Shares or any other form of securities in our Company. Further, our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them in the Company.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Offer.

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

Further our directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners.

None of our Directors have availed any loan from our Company.

### **Interest in promotion of our Company**

Our Promoter Directors are interested in our Company to the extent that of promotion our Company, and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. As of the date of this Draft Prospectus, our Promoter Directors hold an aggregate of 85, 91,338 Equity Shares, aggregating to 90.28 % of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

For details of Equity Shares held by our Promoter, please refer to the section titled '*Capital Structure*' beginning on page 66 of this Draft Prospectus.

Further, except as stated in this section titled '*Our Management*' and under heading *Restated Summary of Related Party Transactions* under the section title '*Restated Financial Statement*' beginning on page 141 and 195 of this Draft Prospectus respectively and to the extent of remuneration received/ to be received by our Directors, none of our Directors any interest in the formation and promotion of our Company.

### **Interest in property, land, construction of building, supply of machinery**

Our Directors do not have any interest in any property acquired by our Company within three years preceding the date of filing this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements except as stated in '*Restated Financial Information*' on page 171 of this Draft Prospectus.

### **Changes in the Board of Directors in the last three years preceding the date of this Draft Prospectus**

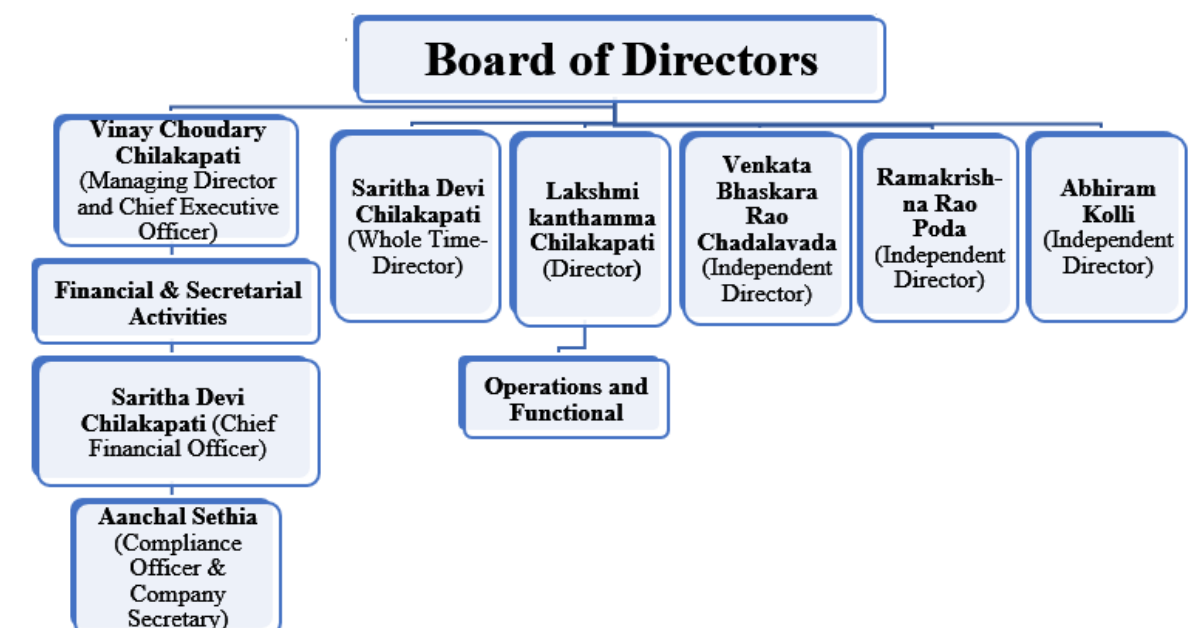
There have been no changes in the Board of Director of our Company during the last 3 (three) year except as stated below:



Name of the Director	Date of change	Reasons for change
Vinod Achi	June 30, 2023	Resignation on personal reasons
Ramakrishna Rao Poda	August 24, 2023	Appointed as Additional Non-Executive Independent Director
Venkata Bhaskara Rao Chadalavada	August 24, 2023	Appointed as Additional Non-Executive Independent Director
Abhiram Kolli	August 24, 2023	Appointed as Additional Non-Executive Independent Director
Ramakrishna Rao Poda	January 10, 2024	Regularized as Non-Executive Independent Director
Venkata Bhaskara Rao Chadalavada	January 10, 2024	Regularized as Non-Executive Independent Director
Abhiram Kolli	January 10, 2024	Regularized as Non-Executive Independent Director
Saritha Devi Chilakapati	January 10, 2024	Re-appointed as Whole Time Director
Vinay Choudary Chilakapati	January 10, 2024	Re-appointed as Managing Director

## MANAGEMENT ORGANIZATIONAL STRUCTURE

The following chart depicts our Management Organization Structure:



## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the NSE Emerge.

As on the date of this Draft Prospectus, our Board of Directors consists of 6 (Six) Directors, of whom 3 (Three) Directors are Executive Directors (including two woman Directors), and 3 are Independent and Non-Executive Directors. The present composition of our Board of Directors and its committees are in accordance with the Companies Act, 2013.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the Companies Act and SEBI Listing Regulations, to the extent applicable.

### 1. Board Committees

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

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders' Relationship Committee;
- d) IPO Committee;
- e) Corporate Social Responsibility Committee.

**Details of each of these committees are as follows:**

#### 1. Audit Committee

Sr. No	Name of the Director	Designation	Position in the Committee
1.	Mr. C.V. Bhaskara Rao	Non-Executive Independent Director	Chairperson
2.	Mr. Poda Ramakrishna Rao	Non-Executive Independent Director	Member
3.	Mr. Abhiram Kolli	Non-Executive Independent Director	Member
4.	Mr. Vinay Choudary Chilakapati	Managing Director & CEO	Member

Invitees:

1. Saritha Devi Chilakapati, Whole time Director & Chief Financial Officer and
2. Aanchal Sethia, Company Secretary & Compliance Officer.

The Audit Committee was constituted by a resolution of our Board dated December 15, 2023.

The terms of reference of the Audit Committee are in accordance with the section 177 of the Companies

Act, 2013 read with rules framed thereunder.

The terms of reference of Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - i. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties which includes omnibus approval for related parties transactions subject to conditions as specified under rules;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of

the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. To investigate any other matters referred to by the Board of Directors;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations:
  - (1) half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - (2) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus

The Audit Committee has the authority to investigate into any matter in relation to the items specified under the terms of reference or such matters as may be delegated by the Board and/or prescribed under the Companies Act and SEBI Listing Regulations or other applicable law.

### **Quorum**

The Quorum for the committee meeting shall be the presence of any two of the members.

### **Chairman**

In the absence of the Chairman of the audit committee from the meeting, the members of the Audit Committee shall elect one of its members as the Chairman of that Committee meeting.

Decision of the Committee: Decisions at the committee meetings shall be by a majority of the votes of members present at the meeting and in the event of equality of votes, the chairman shall have a second or casting vote.

## **2. Nomination and Remuneration Committee**

Sr. No	Name of the Director	Designation	Position in the Committee
1.	Mr. C.V. Bhaskara Rao	Non-Executive Independent Director	Chairperson
2.	Mr. Poda Ramakrishna Rao	Non-Executive Independent Director	Member
3.	Mr. Abhiram Kolli	Non-Executive Independent Director	Member

The Compliance Officer or Chief Financial Officer of our Company shall act as a Secretary to the Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated December 15, 2023.

The terms of reference of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013 read with rules framed thereunder.

The terms of reference of Nomination and Remuneration Committee shall include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### **Quorum**

The Quorum for the committee meeting shall be the presence of any two of the members.

### **Decision of the Committee**

Decisions at the committee meetings shall be by a majority of the votes of members present at the meeting and in the event of equality of votes, the chairman shall have a second or casting vote.

### **3. Stakeholders' Relationship Committee**

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Position in the Committee</b>
1.	Mr. C.V. Bhaskara Rao	Non-Executive Independent Director	Chairperson
2.	Mr. Poda Ramakrishna Rao	Non-Executive Independent Director	Member
3.	Mr. Abhiram Kolli	Non-Executive Independent Director	Member

The Compliance Officer of our Company shall act as a Secretary to the Shareholders/Investors Grievance Committee.

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated December 15, 2023.

The terms of reference of the Stakeholders' Relationship Committee are in accordance with section 178 of the Companies Act, 2013.

The terms of reference of Stakeholders' Relationship Committee shall include the following:

- i. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures, if any;
- ii. Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
- iii. Reviewing on a periodic basis the approval/ refusal of transfer or transmission of shares, debentures or any other securities;
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- v. Allotment and listing of shares;
- vi. Reference to statutory and regulatory authorities regarding investor grievances; and
- vii. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- viii. Any other power specifically assigned by the Board of Directors of the Company.

The chairperson of each of the committees constituted under this section or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.

The Stakeholder/ Investor Relationship Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company.

### **Quorum**

Any two members of the Committee shall be present to form the valid quorum to call and conclude the meeting of the Stakeholders' Relationship Committee.

### **Decision of the Committee**

Decisions at the committee meetings shall be by a majority of the votes of members present at the meeting and in the event of equality of votes, the Chairman shall have a second or casting vote.

### **4. IPO Committee**

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>		<b>Position in the Committee</b>
<b>1.</b>	Mr. C.V. Bhaskara Rao	Non-Executive Director	Independent	Chairman
<b>2.</b>	Mr. Vinay Choudary Chilakapati	Managing Director & CEO		Member
<b>3.</b>	Mrs. Saritha Devi Chilakapati	Whole time Director & CFO		Member

Invitees:

1. Aanchal Sethia, Company Secretary & Compliance Officer.

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated

December 15, 2023

Powers of the Committee as stipulated pursuant to a resolution dated December 15, 2023 passed by our Board are set forth below:

1. The IPO Committee has been constituted to decide the terms and conditions of the Issue, finalization and filing of the Draft Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
2. Handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
3. Deciding on allocation of the equity shares to specific categories of persons;
4. Opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
5. Determining and finalizing the price band, bid opening and closing date of this Issue, approving and finalizing the 'Basis of Allocation';
6. Determining the price at which the Equity Shares are to be offered to the investors; 7. settling difficulties and doubts arising in relation to the IPO;
7. Empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
8. Carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

### **Quorum**

The Quorum for the committee meeting shall be the presence of any 2 (two) of the members.

### **Decision & Voting Power**

All the decision of the committee shall be taken by vote of majority. Members of the committee shall be entitled to vote, in case of equality. The Chairman shall have one casting vote.

The Secretary and Chief Financial Officer of the Company shall attend and participate at but shall not have the right to vote.

### **5. Corporate Social Responsibility Committee**

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Position in the Committee</b>
<b>1.</b>	Mr. C.V. Bhaskara Rao	Non-Executive Director	Independent Chairman
<b>2.</b>	Mr. Vinay Choudary Chilakapati	Managing Director & CEO	Member
<b>3.</b>	Mrs. Saritha Devi Chilakapati	Whole time Director & CFO	Member

The terms of reference of Stakeholders' Relationship Committee shall include the following:

1. To formulate, revise and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of

Directors or as may be directed by the Board of Directors from time to time

## **Tenure**

The Corporate Social Responsibility Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

## **KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

In addition to Mr. Vinay Choudary Chilakapati - Managing Director & Chief Executive Officer and Mrs. Saritha Devi Chilakapati - Whole time Director & Chief Financial Officer, whose details have been provided under the paragraph '*Our Promoter and Promoter Group*' on page 162. The details of our other Key Managerial Personnel as on the date of this Draft Prospectus, are as follows:

**Mrs. Aanchal Sethia** is the Company Secretary & Compliance Officer of the Company. She has been associated with the Company since August 24, 2023. She is a Qualified Company Secretary from Institute of Company Secretaries of India in December 2017. She also holds Master's degree in Law, Bachelor's degree in Commerce. She had a post-qualification experience of 6 years with various Professional Firms, Private Companies as Company Secretary and well-versed with Secretarial Compliances.

For brief profiles of Vinay Choudary Chilakapati and Saritha Devi Chilakapati, see "*Brief Profiles of Our Directors*" on page no 145. For details of compensation paid to them during Financial Year 2023, see "*Compensation of Whole-time Director / Compensation of Managing Directors and/or Non-Executive Directors*" on page 147.

### **Senior Management Personnel**

In addition to the Chief Executive Officer, Chief Financial Officer and Company Secretary and Compliance Officer of our Company, whose details are provided in "*Key Managerial Personnel*" on 158 the details of the Senior Management Personnel, as on the date of this Draft Prospectus, are set out below:

**Mr. K. Saibabu**, General Manager, having worked in different organisations at operation level and gained rich experience and exposure in the metallurgical industry, joined the 'Padmasri Enterprises' [later converted into 'Innomet Advanced Materials Private Limited ('Innomet')] in the year 1999. He has been source of strength to the organisation and contributed a lot for the growth of the Company in terms of sourcing technical skill sets, operational, maintenance, strategy, product development, marketing, production, administration, HRD etc. Further, he has been instrumental in bringing customers and retaining them for long with his personal rapport, coordination, customer centric approach etc., all along the span of 24 years with the Company. He took lot of pains and struggle in building up the Company today's level. His major contribution in growth of the Company can be attributed to the operational excellence, customer appreciation and sourcing especially establishment of customers from the Diamond tool industry with his technical expertise and cordial relations.

**Mr. K. Ramesh**, Vice President. He retired as Director of Production of a Defence Public Sector Undertakings (DPSUs). He joined the Company in 2016 when it was Partnership Firm. He brought to the Company his near 5 (five) decades of experience in metallurgical industry in particular Tungsten



Heavy alloys. He was a corner stone in building up the Company and in particular establishing our company as an approved vendor in several DPSU's in India and abroad. His contribution in marketing, product approval, testing and related activities admirable and invaluable.

#### **Arrangements and understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

#### **Remuneration/ Compensation paid to our Key Managerial Personnel and Senior Management**

Except the normal remuneration for services rendered by them as stated in '*Restated Financial Information*' on page 171 of this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

#### **Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel and Senior Management**

Our Company does not have any bonus and/ or profit-sharing plan for the Key Managerial Personnel and Senior Management. However, our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

#### **Status of Key Management Personnel and Senior Management**

All our Key Managerial Personnel and Senior Management as mentioned above are permanent employees of our Company.

#### **Shareholding of Key Management Personnel and Senior Management**

Except as disclosed in "*Shareholding of Directors in our Company*" on page 81 and in the section "*Capital Structure –Share capital history of our Company*" on page 66, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares.

#### **Changes in Key Managerial Personnel and Senior Management during the last three (3) years**

There have been no changes in the Key Managerial Personnel and Senior Management of our Company during the last 3 (three) year except as stated below:

<b>Name of Key Managerial Personnel and Senior Management</b>	<b>Date of change</b>	<b>Reasons for change</b>
Saritha Devi Chilakapati	August 2023	24, Appointed as Chief Financial Officer
Aanchal Sethia	August 2023	24, Appointed as Company Secretary and Compliance Officer
Vinay Choudary Chilakapati	December 2023	15, Appointed as Chief Executive Officer

## **Interests of Key Management Personnel and Senior Management**

The Key Management Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel and Senior Management may be deemed interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Management Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Key Management Personnel and Senior Management may be interested to the extent of Equity Shares, if any, held by them. Except for the details as stated in the “*Error! Reference source not found.*” on page 165 and “*Risk Factors –Our Directors & Promoters, Senior Management and Key Managerial Personnel have no interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company*” on page 30, none of our Key Managerial Personnel or Senior Management Personnel have any interest in any property acquired or proposed to be acquired of our Company or by the Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery

### **Payment of Benefits to Officers of Our Company (non-salary related)**

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia rewards. Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled ‘*Financial Information*’ beginning on page 170 of this Draft Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

Except for the remuneration for services rendered as Directors, officers or employees of our Company and as disclosed in “*Interests of Directors*” on page 149 and stated otherwise in this Draft Prospectus and any statutory payments made by our Company, no amounts or benefits in kind have been paid or given, or are intended to be paid or given, to any of our Company’s officers including the Key Managerial Personnel and Senior Management Personnel in the two years preceding the date of this Draft Prospectus

### **Relationship amongst Key Managerial Personnel and among Key Management Personnel and directors**

Except as stated below, none of our directors are related to each other or to our Key Managerial Personnel or and Senior Management Personnel:

<b>Director/ Key Managerial Personnel</b>	<b>Other Director/ Key Managerial Personnel</b>	<b>Relationship</b>
Mr. Vinay Choudary	Mrs. Saritha Devi Chilakapati	Husband - Wife

<b>Director/ Key Managerial Personnel</b>	<b>Other Director/ Key Managerial Personnel</b>	<b>Relationship</b>
Chilakapati		
Mr. Vinay Choudary Chilakapati	Mrs. Lakshmi Kanthamma Chilakapati	Son - Mother
Mrs. Saritha Devi Chilakapati	Mrs. Lakshmi Kanthamma Chilakapati	Daughter in Law – Mother in Law

#### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### **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.

#### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

#### **Loans availed by Directors/ Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

Our Promoters are (i) Lakshmi Kanthamma Chilakapati and (ii) Saritha Devi Chilakapati. As on the date of this Draft Prospectus, their shareholding in the company is as follows:

Sr. No.	Name of the Promoter	Number of Equity Shares Held	% of Pre-Equity Share Capital
1.	Lakshmi Kanthamma Chilakapati	40,05,794	42.09%
2.	Saritha Devi Chilakapati	40,59,228	42.65%
<b>Total</b>		<b>80,65,022</b>	<b>84.74%</b>

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*" on page 66 of this Draft Prospectus. Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number, Aadhaar Card Number and Driving License Number of our Individual Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Prospectus.

### Our Promoters



**Mrs. Lakshmi Kanthamma Chilakapati**, aged 74 years, is one of the Promoter of our Company and is currently designated as Director of our Company. She was appointed as the First Director on the Board of our Company at the time of incorporation of our Company on April 24, 2019. She completed her school education below metric and does not have any educational certificates.

**Date of Birth:** August 05, 1949

**Permanent Account Number:** CANPK0635G

**Driving License Number:** NA\*

**Residential Address:** H NO 378, Hig Phase1, Madhava Nagar, Ramachandrapuram Hyderabad- 502032, Telangana, India.

For complete profile of Mrs. Lakshmi Kanthamma Chilakapati, along with details of educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see section titled '*Our Management*' on page 141 of this Draft Prospectus.



**Mrs. Saritha Devi Chilakapati**, aged 48 years, is one of the Promoter of our Company.

**Date of Birth:** January 29, 1975

**Permanent Account Number:** ADGPC8880P

**Driving License Number:** TS41520150004949

**Residential Address:** A-201, Aparna Sarover, Kanchangachibowli, Nallagandla, Gopanpally, K.V. Rangareddy, Hyderabad- 500107 Telangana, India

For complete profile of Mrs. Saritha Devi Chilakapati, along with details of educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see section titled '*Our Management*' on page 141 of this Draft Prospectus.

\*Our individual Promoter, Mrs. Lakshmi Kanthamma Chilakapati do not hold a driving license.

Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number, Aadhaar Card Number and Driving License Number of our Individual Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Prospectus.

There has been no change in control of our Company in the last five years immediately preceding the date of this Draft Prospectus.

### **Interest of Promoters**

None of our Promoters/ Directors have any interest in our Company except to the extent of compensation payable/ paid, and reimbursement of expenses (if applicable) and to the extent of any Equity Shares held by them, and to the extent of benefits arising out of such shareholding. For further details please refer to the '*Capital Structure*', '*Financial Information*' and '*Our Management*' beginning on pages 66, 170, and 141 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements, or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements, or arrangements which are proposed to be made with them other than in the normal course of business.

### **Interest of our Promoters in promotion of our Company**

Our Promoter is interested in our Company to the extent (i) that he has promoted our Company (ii) of his direct and indirect shareholding in our Company and the shareholding of his relatives in our Company; and (iii) of dividends payable (if any) and any other distributions in respect of the Equity Shares held by him in our Company. Our Promoter is interested in our Company to the extent that they are the promoters of our Company. For further details, see '*Capital Structure*' on page 66 of this Draft Prospectus.

Our Promoters are also deemed to be interested to the extent of remuneration payable to them as the Chairman and Managing Director of our Company. For details see '*Restated Financial Information – Related Party Disclosures*' on page 195 of this Draft Prospectus.

### **Interest in the property of our Company**

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding 3 years from the date of this Draft Prospectus or proposed to be acquired by it as on the date of filing of this Draft Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

### **Interest in our Company arising out of being a member of a firm or company**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered

by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

### Interest in our Company other than as Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding in our Company and shareholding of entities in which they are associated as partners, their directorship (and consequently remuneration payable to them and reimbursement of expenses) in our Company, and the dividends payable, if any, and any other distribution in respect of their respective shareholding in our Company. For further details please refer to the '*Capital Structure*', '*Financial Information*' and '*Our Management*' beginning on pages 66, 170, and 141 of this Draft Prospectus.

### Payment or benefits to Promoters or Promoter Group

Except as stated in '*Our Management*' and '*Restated Financial Statements*' on pages 141 and 171 there has been no direct or indirect contracts, agreements or any other arrangements pursuant which any amount, payment or benefit paid or given, respectively, to our Promoters or Promoter Group during 2 years prior to the date of this Draft Prospectus and no amount, payment or benefit is intended to be paid or given to any of our Promoters or members of the Promoter Group.

### Guarantees

Except for personal guarantees given in connection to loans availed by our Company, as on the date of this Draft Prospectus, our Promoters have not given any material guarantees to any third party with respect to the Equity Shares. For further details with respect to personal guarantees given by our Promoters to any third party see '*Financial Indebtedness*' on page 205.

### Promoter Group

In addition to our Promoters, the following persons and entities form part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. Natural persons who are part of our Promoter Group is as follows:

Relationship	Lakshmi Kanthamma Chilakapati	Saritha Devi Chilakapati
Father	Late Sri Kothapalli Punna Rao	Mr. Krishna Prasad Rao Kothapalli
Mother	Mrs. K. Varalakshmi	Mrs. K. Bhagya Lakshmi
Brother	Mr. K. Sai Babu	Mr. K.S.P. Chowdary
Sister	Mrs. Poda Madhavi Mrs. K. Asha Latha	-
Spouse	Mr. Ch. Harinath Prasad	Mr. Vinay Choudary Chilakapati
Son	Mr. Vinay Choudary Chilakapati Mr. Vijay Raidu Chilakapati	-
Daughter	-	Ms. Sanjna Chowdary Ms. Ch. Aditi Chowdary
Spouse' Father	Late Sri Thirupati Raidu Chilakapati	Mr. Ch. Harinath Prasad
Spouse' Mother	Late Smt. Kokilaben Chilakapati	Mrs. Lakshmi Kanthamma Chilakapati
Spouse' Brother	Mr. Ramakrishna Rao Poda Mr. Kolli Seetha Rama Swamy	Mr. Vijay Raidu Chilakapati
Spouse' Sister	-	-

**Entities forming part of the Promoter Group**

1. Keerthi Enterprises
2. Prasad Innovation
3. Prasad Engineering Works

**Disassociation by our Promoters in the 3 years**

None of our other Promoters have disassociated themselves from any companies or firms during the preceding 3 years from the date of filing of this Draft Prospectus.

## OUR GROUP COMPANIES

Under the SEBI ICDR Regulations, the definition of ‘group companies’ includes (a) such companies (other than the promoters and subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under applicable accounting standards, and (b) such other companies as are considered material by our Board. Pursuant to a Board resolution dated December 15, 2023, our Board formulated a policy with respect to companies that it considered material to be identified as group companies.

Accordingly, for (a) above, all such companies with which our Company had related party transactions during the period covered in the Restated Financial Statements, as covered under the applicable accounting standards, are considered as Group Companies in terms of the SEBI ICDR Regulations. For (b) above, our Board does not consider any company as its group company.

Set forth below, based on the criteria above, are the detail(s) of our Group Companies as on the date of this Draft Prospectus:

<b>Sr. No.</b>	<b>Name</b>	<b>Registered Office Address</b>	<b>Corporate Identification Number (CIN/LLPIN)</b>
1.	Keerthi Enterprises	B-31, BHEL Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad-502032, Telangana, India	NA
2.	Prasad innovation	B-31, BHEL Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad-502032, Telangana, India	NA
3.	Prasad Engineering Works	B-31, BHEL Ancillary Industrial Estate, Ramachandrapuram, Medak, Hyderabad-502032, Telangana, India	NA

### ***Financial Information***

All the group companies do not have their own websites. Accordingly, in accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, extracted from its respective audited financial statements (as applicable) are available on the website of our Company at [www.innomet.net](http://www.innomet.net).

It is clarified that such details available on our group companies’ websites do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Group Companies’ website, as mentioned above, would be doing so at their own risk.



Neither our Company nor any of the Lead Manager nor any of the Company's or the Lead Manager's respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented, contained or referred in the Group Company Financial Information or any other information provided on the websites.

## **NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES**

### ***In the promotion of the Company***

None of our Group Companies have any interest in the promotion of our Company.

### ***In the properties acquired by our Company in the three years preceding the date of filing of this draft Prospectus or proposed to be acquired by our Company***

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Prospectus or proposed to be acquired except as otherwise disclosed in “***Other Financial Information — Related Party Transactions***” on page 195.

### ***In transactions for acquisition of land, construction of buildings and supply of machinery***

None of our Group Companies are interested in any transactions of our Company for the acquisition of land, construction of building or supply of machinery except as otherwise disclosed in “***Other Financial Information — Related Party Transactions***” on page 195.

### ***Related business transactions with our Group Companies and significance on the financial performance of our Company***

Except as disclosed under see ‘***Other Financial Information — Related Party Transactions***’ on page 195, there are no related business transactions with the Group Company.

### ***Business and other interests***

None of our Group Companies have any business or other interest in our Company except as otherwise disclosed in “***Other Financial Information — Related Party Transactions***” on page 195.

### ***Common Pursuits***

As on the date of draft prospectus, there are no common pursuits among our Group Companies and our Company. However, some of our Group Companies are authorised by their respective constitutional documents to engage in, the same line of business as that of our Company. We cannot assure you that a conflict of interest will not arise if the entity decides to pursue such activities in the future. Our Company shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

### ***Certain other confirmations***

None of the securities of our Group Companies are listed on any stock exchange and therefore, there are no investor complaints are pending against them.

None of our Group Companies have made any public or rights issue in the three immediately preceding years.

### ***Utilisation of Issue Proceeds***

There are no material existing or anticipated transactions in relation to the utilisation of the Offer Proceeds or project cost with our Group Companies.

***Litigation***

Our Group Companies are not party to any pending litigation which could have a material impact on our Company.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on few numbers of factors, including but not limited, net operating profit after tax, working capital requirements, capital expenditure requirements, and cash flow required to meet contingencies, outstanding borrowings and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, please refer section titled “**Risk Factors**” beginning on Page No. 30 of this Draft Prospectus.

**SECTION VI – FINANCIAL INFORMATION**

*[The Remainder of this Page has intentionally been left blank]*

## RESTATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT ON THE RESTATED FINANCIAL STATEMENTS OF INNOMET ADVANCED MATERIALS LIMITED

To,  
The Board of Directors,  
**Innomet Advanced Materials Limited**  
B-31, Bhel Ancillary Industrial estate,  
Ramachadrapuram, Medak,  
Hyderabad - 502032,  
Telangana, India

**Sub: Proposed Public Issue of equity shares of face of value of Rs.10/- by the Innomet Advanced Materials Limited ("the Company")**

Dear Sirs,

- 1) We have examined the attached Restated Summary Statements and Other Financial Information of **Innomet Advanced Materials Limited** (hereinafter referred to as "**the Company**") described below and annexed to this report for the financial periods ending on September 30<sup>th</sup>, 2023, March 31<sup>st</sup>, 2023, 2022 and 2021 based on the audited financial statements of the Company (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") of the Company as duly approved by the Board of Directors of the Company.
- 2) The said Restated Financial Statements and other Financial Information have been examined and prepared for the purpose of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offering (IPO) of the company taking into consideration the followings and in accordance with the following requirements of:
  - Section 26 of Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014, as amended from time to time;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (the 'SEBI ICDR Regulations') as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
  - The Guidance Note on Reports in Company Prospectus / Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") ("Guidance Note");
  - The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations; and
  - The terms of reference to our engagement letter with the company dated 20.07.2023 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on the Stock Exchange. In this case the Designated Stock Exchange being EMERGE platform of NSE ("IPO" or "SME IPO").
- 3) These Restated Consolidated Financial Information (included in Annexure 1 to the auditor's report here in) have been extracted by the Management of the Company from:

The Company's Financial Statements for the financial periods ending on September 30, 2023, March 31, 2023, 2022 and 2021 which have been approved by the Board of Directors at their meeting held on 01/11/2023, 26/07/2023, 05/09/2022 and 01/11/2021 and as approved by the shareholders at their meeting held on 19/08/2023, 05/09/2022 and 30/11/2021 respectively and

books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company's Management. The Financial Statements of the Company for the financial periods ended September 30, 2023, March 31, 2023 have been audited by GRANDMARK & Associates, Chartered Accountants as sole statutory auditors and for the financial years March 31, 2022 and 2021 have been audited by P Mohana Rao & Co, Chartered Accountants as sole statutory auditors had issued unqualified reports for these years.

- 4) In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
- (a) The **Restated Statement of Assets and Liabilities** for the financial periods ended on September,30 2023, March 31, 2023, 2022 and 2021, examined by us, as set out in **Annexure 1** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
  - (b) The **Restated Statement of Profit and Loss** of the Company for the financial periods ended on September,30 2023, March 31, 2023, 2022 and 2021, examined by us, as set out in **Annexure 2** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure** to this Report.
  - (c) The **Restated Statement of Cash Flows** of the Company for the financial periods ended on September,30 2023, March 31, 2023, 2022 and 2021, examined by us, as set out in **Annexure 3** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.

As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

#### 5) **Emphasis of Matters**

Based on the above, as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the financial periods ended on September,30 2023, March 31, 2023, 2022 and 2021, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement:

- (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company.
- (ii) have been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years to which they relate to;

- (iii) Do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
- (iv) There are no qualifications in the Audit Reports issued by the Statutory Auditors for the financial periods ended on September,30 2023, March 31, 2023, 2022 and 2021, which would require adjustments in this Restated Financial Statements of the Company.
- (v) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this report;
- (vi) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
- (vii) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
- (viii) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
- (ix) The Company has not paid any dividend since its incorporation.

We have also examined the following other Restated Financial Information as set out in the respective Annexures to this report and forming part of the Restated Financial Statement, prepared by the management of the Company and approved by the Board of Directors on December 15, 2023 relating to the company for the financial periods ended on September 30, 2023, March 31, 2023, 2022 and 2021 proposed to be included in the Prospectus (“Offer Document”) for the proposed IPO:

1. Statement of Share Capital, as restated in **Annexure 5** to this report.
2. Statement of Reserves & Surplus as restated in **Annexure 6** to this report.
3. Statement of Long-Term Liabilities as restated in **Annexure 7** to this report.
4. Statement of Short-Term Borrowings as restated in **Annexure 8** to this report.
5. Statement of Trade Payables as restated in **Annexure 9** to this report.
6. Statement of Other Current Liabilities as restated in **Annexure 10** to this report.
7. Statement of Short-Term Provisions as restated in **Annexure 11** to this report.
8. Statement of Non-Current Investments as restated in **Annexure 12** to this report.
9. Statement of details of Other Non-Current Assets as restated in **Annexure 13** to this report.
10. Statement of Inventories as restated in **Annexure 14** to this report.
11. Statement of Trade Receivables as restated in **Annexure 15** to this report.
12. Statement of Property, Plant & Equipment as restated in **Annexure 16** to this report.
13. Statement of Cash and Cash Balances as restated in **Annexure 17** to this report.

14. Statement of Short-Term Loans & Advances as restated in **Annexure 18** to this report.
  15. Statement of Other Current Assets as restated in **Annexure 19** to this report
  16. Statement of Revenue from Operations as restated in **Annexure 20** to this report.
  17. Statement of Segment -Wise Revenue from Operations as restated in **Annexure 21** to this report
  18. Statement of Other Income as restated in **Annexure 22** to this report.
  19. Statement of Cost of Materials Consumed as restated in **Annexure 23** to this report.
  20. Statement of Employee Benefit Expenses as restated in **Annexure 24** to this report.
  21. Statement of Depreciation and Amortisation Expenses as restated in **Annexure 25** to this report.
  22. Statement of Finance Costs restated in **Annexure 26** to this report.
  23. Statement of Other Expenses as restated in **Annexure 27** to this report.
  24. Statement of Capitalization as restated in **Annexure 28** to this report.
  25. Statement of Contingent Liabilities as restated in **Annexure 29** to this report.
  26. Statement of Earnings in Foreign currency as restated in **Annexure 30** to this report.
  27. Statement of Expenditure in Foreign currency as restated in **Annexure 31** to this report.
  28. Statement of details of Related Party Transactions as restated in **Annexure 32** to this report.
  29. Statement of Other Financial Information-Statement of Accounting Ratios as restated in **Annexure 33** to this report.
  30. Statement of Restated Tax Shelter Statement in **Annexure 34** to this report.
  31. Other relevant disclosures in **Annexure 35** to this report.
- 6) We, GRANDMARK & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate no. 012124 issued by the “Peer Review Board” of the ICAI and is valid till January 29, 2024.
  - 7) The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  - 8) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Standalone Financial Information referred to herein.
  - 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.



- 10) In our opinion, the above Restated Financial Statements contained in **Annexure 1-3** to this report read along with the ‘Significant Accounting Policies and Notes to the Restated Standalone Financial Statements’ appearing in **Annexure 4** after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 11) Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed SME IPO of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

**For GRANDMARK & Associates**  
**Chartered Accountants**  
**FRN: 011317N**

**Vasanth Kumar K B M**  
**Partner**  
**M. No: 215929**  
**UDIN: 24215929BKAIVD4132**  
**Place: Hyderabad**  
**Date: 29.01.2024**

## ANNEXURE 01

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lakhs)

Particulars	Annexure nos.	As on	As on March 31,		
		September 30, 2023	2023	2022	2021
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	951.65	288.32	288.32	188.32
Reserve & Surplus	6	471.80	417.62	91.46	42.27
<b>Total Equity (A)</b>		<b>1423.45</b>	<b>705.94</b>	<b>379.78</b>	<b>230.59</b>
Share Application Money pending allotment(B)		-	-	-	-
<b>Non-Current Liabilities</b>					
Long Term Liabilities	7	713.91	839.64	590.69	403.18
Deferred Tax Liabilities (Net)		-	-	-	-
Other Long-Term Liabilities		-	-	-	-
Long Term Provisions		-	-	-	-
<b>Total Non-current Liabilities (C)</b>		<b>713.91</b>	<b>839.64</b>	<b>590.69</b>	<b>403.18</b>
<b>Current Liabilities</b>					
Short Term Borrowings	8	497.45	369.86	390.82	384.23
Trade Payables	9	239.19	164.09	206.45	178.30
Other Current Liabilities	10	60.90	41.09	21.21	-
Short Term Provisions	11	115.24	136.57	-	44.67
<b>Total Current Liabilities (D)</b>		<b>912.78</b>	<b>711.61</b>	<b>618.48</b>	<b>607.20</b>
<b>TOTAL LIABILITIES (A+B+C+D)</b>		<b>3050.14</b>	<b>2257.19</b>	<b>1588.95</b>	<b>1240.97</b>
<b>Non-current Assets</b>					
<b>Property Plant &amp; Equipment's</b>	16				
Tangible Assets		341.50	343.62	311.78	314.47
Intangible Assets		394.16	-	-	-
Capital Work- in- Progress		846.00	613.61	218.83	-
Intangible Assets under development		-	-	-	-
Non-current Investments	12	-	-	-	-
Deferred Tax Assets ( net)		-	-	-	-
Long Term Loans and Advances		46.79	25.08	23.13	-
Other Non-current Assets	13	62.90	61.20	61.20	61.20
<b>Total Non-current Assets (A)</b>		<b>1691.35</b>	<b>1043.51</b>	<b>614.94</b>	<b>375.67</b>
<b>Current Assets</b>					
Current Investments		-	-	-	-

Particulars	Annexure nos.	As on	As on March 31,		
		September 30, 2023	2023	2022	2021
Inventories	14	880.22	911.64	777.00	678.02
Trade Receivables	15	263.54	154.32	156.87	131.21
Cash and Cash Equivalents	17	9.38	0.54	1.86	3.08
Short term loans and Advances	18	173.96	129.73	28.33	47.01
Other Current Assets	19	31.69	17.45	9.95	5.98
<b>Total Current Assets (B)</b>		<b>1358.79</b>	<b>1213.68</b>	<b>974.01</b>	<b>865.30</b>
<b>TOTAL ASSETS (A+B)</b>		<b>3050.14</b>	<b>2257.19</b>	<b>1588.95</b>	<b>1240.97</b>

## ANNEXURE 02

### STATEMENT OF PROFIT & LOSS, AS RESTATED

(Rs. In Lakhs)

Particulars	Annexure nos.	As on	As on March 31,		
		September 30, 2023	2023	2022	2021
<b>Income</b>					
Revenue From Operations	20	1531.31	2712.93	2238.42	1243.78
Other Income	22	57.53	1.85	1.94	8.53
<b>Total Income (a)</b>		<b>1588.84</b>	<b>2714.78</b>	<b>2240.35</b>	<b>1252.31</b>
<b>Expenses</b>					
Cost of Materials Consumed	23	894.84	1485.57	1632.90	794.46
Changes in Inventories of finished goods, work-in-progress, and Stock-in-trade		-	(165.61)	(66.58)	-
Employee benefit expenses	24	68.02	121.45	148.18	103.66
Operation and other expenses	27	353.01	698.89	354.29	232.92
Finance costs	26	46.02	94.60	84.13	71.34
Depreciation and amortization expenses	25	23.60	43.88	32.27	29.81
<b>Total Expenses (b)</b>		<b>1385.49</b>	<b>2278.77</b>	<b>2185.18</b>	<b>1232.19</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax (a-b)</b>		<b>203.35</b>	<b>436.01</b>	<b>55.17</b>	<b>20.12</b>
Exceptional and Extraordinary Items		-	-	-	-
<b>Profit Before Tax</b>		<b>203.35</b>	<b>436.01</b>	<b>55.17</b>	<b>20.12</b>
Tax Expense:					
Current Tax		-	114.45	-	-
Deferred Tax		-	-	-	-

Particulars	Annexure nos.	As on	As on March 31,		
		September 30, 2023	2023	2022	2021
Profit/(Loss) after Tax		203.35	321.55	55.17	20.12
Net Profit after Adjustments		203.35	321.55	55.17	20.12
Net Profit transferred to Balance Sheet		203.35	321.55	55.17	20.12
Earnings per share					
Basic		2.14	11.15	1.91	1.07
Diluted		2.14	11.15	1.91	1.07

### ANNEXURE 03

#### STATEMENT OF CASH FLOWS, AS RESTATED

(Rs. In Lakhs)

Particulars	As on	As on March 31,		
	September 30, 2023	2023	2022	2021
<b>A. Cash Flows From Operating Activities</b>				
Profit before taxation	203.35	436.01	55.17	20.12
<b>Adjustments for:</b>				
Depreciation	23.60	43.88	32.27	29.81
<b>Total</b>				
<i>Cash Generated from Operations before Working Capital Changes:</i>	<b>226.95</b>	<b>479.89</b>	<b>87.44</b>	<b>49.93</b>
Trade Payables	75.11	(42.36)	28.15	77.88
Other current liabilities	19.82	19.88	21.21	-
Short-term Provisions	(21.34)	136.57	(44.67)	24.27
Inventories	31.41	(134.64)	(98.98)	(172.65)
Trade Receivables	(109.22)	2.55	(25.66)	3.95
Short term loans & advances	(44.23)	(101.40)	(28.33)	54.58
Other current assets	(14.24)	(7.50)	43.05	(50.54)
<b>Net Cash generated from Operating Activities (A)</b>	<b>164.26</b>	<b>352.99</b>	<b>(17.79)</b>	<b>(12.58)</b>
<b>B. Cash Flows from Investing Activities</b>				
Sale of fixed assets	-	-	-	-
Long term loans and advances	(21.71)	(1.95)	(23.13)	-
Other Non-current Assets	(1.70)	-	-	-
Purchase of fixed assets	(648.02)	(470.50)	(248.41)	(68.83)
<b>Net Cash Generated from Investing Activities (B)</b>	<b>(671.43)</b>	<b>(472.44)</b>	<b>(271.54)</b>	<b>(68.83)</b>
<b>C. Cash Flow from Financing Activities</b>				
Long Term borrowings	(125.73)	248.95	187.52	94.99
Short term borrowings	127.58	(20.95)	6.59	(10.63)
Proceeds from issuance of capital	514.15	(109.84)	94.02	(4.69)

<b>Net Cash (used in)/ generated from Financing Activities [C]</b>	<b>516.00</b>	<b>118.15</b>	<b>288.13</b>	<b>79.67</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>8.83</b>	<b>(1.30)</b>	<b>(1.21)</b>	<b>(1.74)</b>
<b>Cash and Cash Equivalents at beginning of year</b>	0.55	1.86	3.08	4.82
<b>Cash and Cash Equivalents at end of year</b>	9.38	0.55	1.86	3.08
<b>Cash and cash equivalents considered for cash flow statement</b>	9.38	0.55	1.86	3.08

## **ANNEXURE 04**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **I. Corporate Information:**

Our Company was incorporated as ‘Innomet Advanced Materials Private Limited’, under the Companies Act, 2013 pursuant to Certificate of Incorporation dated April 24, 2019 issued by the Registrar of Companies, Hyderabad, Telangana. The name of our Company ‘Innomet Advanced Materials Private Limited’ was converted into “Innomet Advanced Materials Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 18<sup>th</sup>, 2023 and had obtained fresh vide Certificate of Incorporation dated November 9<sup>th</sup>, 2023 issued by the Registrar of Companies, Hyderabad, Telangana. The CIN of the Company is U27101TG2019PLC132262.

M/s Padmasree Enterprises registered as a partnership firm in the year 1984, which was a family concern started as a General Engineering later on converted into a Private Limited Company in the name of M/s Innomet Advanced Materials Private Limited (Innomet) during 2019, which is a family concern started as a General Engineering. The next generation took over and diversified in to other businesses like manufacture of diamond Ttools and later on through backward integration, started manufacture of Metal Powders (Ferrous, Non-Ferrous and various their Alloys). Further with R&D got into and manufacture of Tungsten Heavy Alloys (THA). The Promoters have vast experience in General Engineering, Manufacture of Diamond Tools, water atomised Metal /Alloy powders and Tungsten Heavy alloys.

Manufacture of “METAL POWDERS & TUNGSTEN HEAVY ALLOYS” comes under the gamut of “POWDER METALLURGY”. We, the Company have all the necessary infrastructure for the development and manufacture of water atomized Metal Powders and Tungsten Heavy Alloys. specifically for pre-fragments. To update ourselves technologically, we the Company associates with the senior most scientists in the world and with renowned major Research organisations IIT’s in India for continuous development of various Powder Metallurgy (PM) products. The Company has also started / conducted in-house experiments to develop a products required by the end users. M/s Padmasree Enterprises Innomet has been found to be in conformity with the Quality Management System Standard: ISO 9001:2015 with a scope of Manufacturing and supply of Ferrous & Non- ferrous Metal/Alloy Powders and Tungsten Heavy Alloy Components.

#### **II. Basis of Preparation:**

##### **i. Statement of Compliance**

The Company’s financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

These financial statements have been approved for issue by the Board of Directors at their meeting held on November 15<sup>th</sup>, 2023.

## **ii. Basis of Accounting**

The Company maintains its accounts on accrual basis following historical cost convention.

## **iii. Presentation of financial statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the schedule III to the Companies Act, 2013 (“the Act”).

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the schedule III to the act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees rounded off to nearest rupee in line with the requirements of schedule III.

## **iv. Operating cycle for current and non-current classification**

Operating cycle for the business activities of the company covers the duration of the specific project/contract/ product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

## **III. Significant Accounting Policies**

### **I. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the years in which the results are known / materialized.

### **II. Exceptional Items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

### **III. Property, Plant and Equipment (PPE)**

Property, plant and equipment (including land, building, furniture and fixtures, office equipment, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortization, and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent credit of the tax is availed of. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use.

Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress"

#### **IV. Depreciation**

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) as evaluated by a Chartered Engineer, on WDV method, in accordance with Part A of Schedule II to the Companies Act, 2013. The useful life of the Property, plant and equipment are reviewed annually with respect to estimates and changes if any are being accounted for on a prospective basis.

#### **V. Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting years no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

#### **IV. Revenue Recognition**

Revenue is recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

#### **V. Contract liabilities**

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration is received.

#### **VI. Cost recognition**

Costs and expenses are recognised when incurred and are classified according to their nature.

#### **VII. Inventories**

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

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

#### **VIII. Cash and Cash equivalents**

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

## IX. Securities Premium Account

Securities premium includes (i) The difference between the face value of the equity shares and the consideration received in respect of shares issued; (ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

## X. Taxes on Income

Income Tax provision is based on the present tax laws in respect of taxable income for the year and the deferred tax are treated in the accounts as per AS22 of ICAI on Accounting for Taxes on Income

## XI. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of a past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### (a) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items 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.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

### (b) Changes Accounting Policies In The Years/Periods Covered In The Restated Financial

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

### (c) Notes To Reconciliation Of Restated Profit

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Particulars	As on	As on	As on	As on
	September 30, 2023	March 31,2023	March 31,2022	March 31,2021
Profit before tax before appropriation (as per Audited accounts)	203.35	436.01	55.17	20.12



Particulars	As on	As on	As on	As on
	September 30, 2023	March 31,2023	March 31,2022	March 31,2021
<b>Adjustments</b>	-	-	-	-
Provision for Income Tax	-	111.45	-	-
<b>Provision for Deferred Tax</b>	-	-	-	-
<b>Profit after Tax as per Restated Profit &amp; Loss Account</b>	<b>203.35</b>	<b>321.55</b>	<b>55.17</b>	<b>20.12</b>

## VI. Notes To Reconciliation of Restated Profit

- a) The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the period end together with interest payable as required under the said Act have not furnished
- b) Trade payables, Trade receivables, Advances received, Advances given, GST Payable / input credit and Income Tax assets (Net of liabilities) are subject to reconciliation and confirmation.
- c) The Company does not have a program of verification to cover all the items of fixed assets in a phased manner, fixed assets were not physically verified by the management during the period.
- d) As per Ind AS 109 “Financial Instruments” the company is required to consider “Provision for Expected Credit Loss” on financial assets on the basis of expected probability of recoverability of such financial instrument.
- e) The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- f) There is no Auditor’s Qualification in any of the audited Financial Statements as at and for the year ended March 31<sup>st</sup>, 2023.
- g) Related Party Transactions: The details of Related Party Transactions as per Ind-AS are provided in Annexure 32.
- h) The figures in the Restated Financial Statements and Other Financial Information are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.

## VII. Notes To Reconciliation of Restated Profit

### ANNEXURE 4.1

#### ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

##### (i) Provision for Deferred Tax

Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.

The shortfall or excess in amount of Provision for taxes and deferred tax has been provided in the year in which it should be provided.

## (ii) Adjustments having no impact on Profit

### Material Regrouping

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

### ANNEXURE 4.2

#### RECONCILIATION OF RESTATED PROFIT

There have been no adjustments/regroupings in the items of revenue, expenditure, etc., and hence profit remains same in both the statements namely restated financials and audited financials.

### ANNEXURE 4.3

#### RECONCILIATION BETWEEN AUDITED EQUITY AND RESTATED TOTAL EQUITY

There have been no adjustments/regroupings in the items of paid up capital, related items and hence equity remains same in both the statements namely restated financials and audited financials.

### ANNEXURE 5

#### SHARE CAPITAL

#### STATEMENT OF DETAILS OF SHARE CAPITAL, AS RESTATED

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Authorized Capital	1400	300.00	300.00	300.00
Issued, Subscribed & Fully Paid - up	951.65	288.32	288.32	188.32

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Shares Outstanding at the beginning of the year	28,83,248	28,83,248	18,83,248	18,83,248
Additions during the period	66,33,290	-	10,00,000	-
Shares Outstanding at the end of the year	95,16,538	28,83,248	28,83,248	18,83,248

#### Rights, preferences and restrictions attached to equity shares

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#### List of Shareholders holding more than 5% share capital

Name of the shareholder	As on September 30,		As on March 31,					
	2023		2023		2022		2021	
	No. of share	%	No. of share	%	No. of share	%	No. of share	%

<b>Mrs. Lakshmi kanthamma Chilakapati</b>	40,05,794	42.09	14,70,457	51	14,70,457	51	9,60,457	51
<b>Mrs. Saritha devi Chilakapati</b>	40,59,228	42.65	14,12,791	49	14,12,791	49	9,22,791	49
<b>Mr. Vinay Kumar Chilakapati</b>	5,26,316	5.53	-	-	-	-	-	-

**Shareholding of Promoters and promotor group at the end of the period**

Name of the shareholder	As on September 30,		As on March 31,					
	2023		2023		2022		2021	
	No. of share	%	No. of share	%	No. of share	%	No. of share	%
<b>Mrs. Lakshmi kanthamma Chilakapati</b>	40,05,794	42.09	14,70,457	51	14,70,457	51	9,60,457	51
<b>Mrs. Saritha devi Chilakapati</b>	40,59,228	42.65	14,12,791	49	14,12,791	49	9,22,791	49
<b>Mr. Vinay Kumar Chilakapati</b>	5,26,316	5.53	-	-	-	-	-	-

**ANNEXURE-6**

**RESERVES & SURPLUS**

**STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED**

(Rs. In Lakhs)

Particulars	As on September 30,		As on March 31,		
	2023		2023	2022	2021
<b>A. General Reserves</b>					
<b>Opening balance</b>	-		-	-	-
<b>Add: Addition during the year</b>	-		-	-	-
Net profit/(Net loss) for the current year	-		-	-	-
Miscellaneous: Other Income/Dividend	-		-	-	-
<b>Less: Issue of Bonus shares</b>	-		-	-	-
<b>Sub Total – General Reserves</b>	-		-	-	-
<b>B. Securities Premium</b>					
<b>Opening Balance</b>	-		-	-	-
<b>Add: Share Premium on Issue of Equity Shares</b>	<b>243.54</b>		-	-	-
<b>Less: Utilized for issue of bonus shares</b>	-		-	-	-
<b>Sub Total - Share Premium</b>	<b>243.54</b>		-	-	-
<b>C. Balance in Profit and Loss Account</b>					
<b>Opening Balance</b>	417.62		91.46	42.27	22.15
<b>Add: Addition during the year</b>					

Net Profit/(Net loss) for the current year	203.35	321.55	55.17	20.12
Less: Adjustment	-	4.61	(5.98)	-
Less: Gratuity Provision for Earlier Year	-	-	-	-
Less: Utilized for issue of bonus shares	(392.72)	-	-	-
<b>Sub Total –Balance in Profit and Loss Account</b>	<b>228.25</b>	<b>417.62</b>	<b>91.46</b>	<b>42.27</b>
<b>Total - Reserves and Surplus (A+B+C)</b>	<b>471.80</b>	<b>417.62</b>	<b>91.46</b>	<b>42.27</b>

#### ANNEXURE-7

#### STATEMENT OF DETAILS OF LONG TERM LIABILITES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Long Term Liabilities	713.91	839.64	590.69	403.18
<b>Total</b>	<b>713.91</b>	<b>839.64</b>	<b>590.69</b>	<b>403.18</b>

#### ANNEXURE-8

#### STATEMENT OF DETAILS OF SHORT-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Unsecured Loans	497.45	369.86	390.82	384.23
<b>Total</b>	<b>497.45</b>	<b>369.86</b>	<b>390.82</b>	<b>384.23</b>

#### ANNEXURE-9

#### STATEMENT OF TRADE PAYABLE

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Trade Payables- amount due to creditors	239.19	164.09	206.45	178.30
<b>Total</b>	<b>239.19</b>	<b>164.09</b>	<b>206.45</b>	<b>178.30</b>

(Rs. In Lakhs)

Particulars	Outstanding for the following period from the due date of payments As on September 30, 2023				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
<b>Undisputed Dues</b>					
MSME	4.99	-	-	-	4.99
Others	234.20	-	-	-	234.20
<b>Disputed Dues</b>					
MSME	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>239.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239.19</b>

(Rs. In Lakhs)

Particulars	Outstanding for the following period from the due date of payments As on March 31, 2023				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
<b>Undisputed Dues</b>					
MSME	4.28	-	-	-	4.28
Others	202.17	-	-	-	202.17
<b>Disputed Dues</b>					
MSME	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>206.45</b>	-	-	-	<b>206.45</b>

(Rs. In Lakhs)

Particulars	Outstanding for the following period from the due date of payments as on March 31, 2022				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
<b>Undisputed Dues</b>					
MSME	-	-	-	-	-
Others	206.45	-	-	-	206.45
<b>Disputed Dues</b>					
MSME	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>206.45</b>	-	-	-	<b>206.45</b>

(Rs. In Lakhs)

Particulars	Outstanding for the following period from the due date of payments as on March 31, 2021				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
<b>Undisputed Dues</b>					
MSME	-	-	-	-	-
Others	178.30	-	-	-	178.30
<b>Disputed Dues</b>					
MSME	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>178.30</b>	-	-	-	<b>178.30</b>

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	As on September 30, 2023		As on March 31, 2022		2021
	(a) Amount remaining unpaid to any supplier at the end of each accounting year:	-	-	-	-
Principal and interest	-	-	-	-	
<b>Total</b>	-	-	-	-	

- (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. - - - -
- (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. - - - -
- (d) The amount of interest accrued and remaining unpaid at the end of each accounting year. - - - -
- (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. - - - -

#### ANNEXURE-10

##### STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Others	60.90	41.09	21.21	-
<b>Total</b>	<b>60.90</b>	<b>41.09</b>	<b>21.21</b>	<b>-</b>

#### ANNEXURE-11

##### STATEMENT OF SHORT-TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Others	115.24	136.57	-	44.67
<b>Total</b>	<b>115.24</b>	<b>136.57</b>	<b>-</b>	<b>44.67</b>

#### ANNEXURE-12

##### STATEMENT OF NON-CURRENT INVESTMENTS

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Non-Current Investments	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

#### ANNEXURE-13

##### STATEMENT OF DETAILS OF OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Other Non-current Assets	62.90	61.20	61.20	61.20
<b>Total</b>	62.90	61.20	61.20	61.20

#### ANNEXURE-14

##### DETAILS OF INVENTORIES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Raw materials	880.22	911.64	777.00	678.02
<b>Total</b>	880.22	911.64	777.00	678.02

#### ANNEXURE-15

##### STATEMENT OF DETAILS OF TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Amount due from Debtors	263.54	154.32	156.87	131.21
<b>Total</b>	263.54	154.32	156.87	131.21

(Rs. In Lakhs)

Particulars	Undisputed Trade Receivables as on September 30, 2023		Disputed Trade Receivables as on September 30, 2023		Total
	Considered Good	Considered Doubtful	Considered Good	Considered Doubtful	
Outstanding for a Period Less than six Months	263.54	-	-	-	263.54
Outstanding for a period of six months to one year	-	-	-	-	-
Outstanding for a Period of one year to two years	-	-	-	-	-
Outstanding for a period of two to three years	-	-	-	-	-
Outstanding for a period of three years and above	-	-	-	-	-
<b>Total</b>	263.54	-	-	-	263.54

(Rs. In Lakhs)

Particulars	Undisputed Trade Receivables as on March 31, 2023		Disputed Trade Receivables as on March 31, 2023		Total
	Considered Good	Considered Doubtful	Considered Good	Considered Doubtful	
Outstanding for a Period Less than six Months	154.32	-	-	-	154.32
Outstanding for a period of six months to one year	-	-	-	-	-
Outstanding for a Period of one year to two years	-	-	-	-	-
Outstanding for a period of two to three years	-	-	-	-	-
Outstanding for a period of three years and above	-	-	-	-	-
<b>Total</b>	154.32	-	-	-	154.32

(Rs. In Lakhs)

Particulars	Undisputed Trade Receivables as on March 31, 2022		Disputed Trade Receivables as on March 31, 2022		Total
	Considered Good	Considered Doubtful	Considered Good	Considered Doubtful	
Outstanding for a Period Less than six Months	156.87	-	-	-	156.87
Outstanding for a period of six months to one year	-	-	-	-	-
Outstanding for a Period of one year to two years	-	-	-	-	-
Outstanding for a period of two to three years	-	-	-	-	-
Outstanding for a period of three years and above	-	-	-	-	-
<b>Total</b>	156.87	-	-	-	156.87

(Rs. In Lakhs)

Particulars	Undisputed Trade Receivables as on March 31, 2021		Disputed Trade Receivables as on March 31, 2021		Total
	Considered Good	Considered Doubtful	Considered Good	Considered Doubtful	
Outstanding for a Period Less than six Months	131.21	-	-	-	131.21
Outstanding for a period of six months to one year	-	-	-	-	-
Outstanding for a Period of one year to two years	-	-	-	-	-
Outstanding for a period of two to three years	-	-	-	-	-
Outstanding for a period of three years and above	-	-	-	-	-



Particulars	Undisputed Trade Receivables as on March 31, 2021		Disputed Trade Receivables as on March 31, 2021		Total
	Considered Good	Considered Doubtful	Considered Good	Considered Doubtful	
<b>Total</b>	131.21	-	-	-	131.21

#### ANNEXURE-16

#### STATEMENT OF PROPERTY, PLANT & EQUIPMENTS AS RESTATED

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Tangible Assets	341.50	343.62	311.78	314.47
Non-Tangible Assets	394.16	-	-	-
Capital Work in progress	846.00	613.61	218.83	-
<b>Total</b>	<b>1581.66</b>	<b>957.23</b>	<b>530.61</b>	<b>314.47</b>

#### ANNEXURE-17

#### STATEMENT OF CASH AND CASH BALANCES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Cash and cash equivalents	9.38	0.54	1.86	3.08
<b>Total</b>	<b>9.38</b>	<b>0.54</b>	<b>1.86</b>	<b>3.08</b>

#### ANNEXURE-18

#### STATEMENT OF SHORT-TERM LOANS & ADVANCES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Others	173.96	129.73	28.33	47.01
<b>Total</b>	<b>173.96</b>	<b>129.73</b>	<b>28.33</b>	<b>47.01</b>

#### ANNEXURE-19

#### STATEMENT OF OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Others	31.69	17.45	9.95	5.98
<b>Total</b>	<b>31.69</b>	<b>17.45</b>	<b>9.95</b>	<b>5.98</b>

#### ANNEXURE-20

#### STATEMENT OF REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Sales	1531.31	2712.93	2238.42	1243.78
<b>Total</b>	<b>1531.31</b>	<b>2712.93</b>	<b>2238.42</b>	<b>1243.78</b>

## ANNEXURE-21

## STATEMENT OF SEGEMENT-WISE REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Sales	1531.31	2712.93	2238.42	1243.78
<b>Total</b>	<b>1531.31</b>	<b>2712.93</b>	<b>2238.42</b>	<b>1243.78</b>

## ANNEXURE-22

## STATEMENT OF OTHER INCOME

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Other income	57.53	1.85	1.94	8.53
<b>Total</b>	<b>57.53</b>	<b>1.85</b>	<b>1.94</b>	<b>8.53</b>

## ANNEXURE-23

## STATEMENT OF COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2022	2022	2021
Raw materials Consumed	894.84	1485.57	1632.90	794.46
<b>Total</b>	<b>894.84</b>	<b>1485.57</b>	<b>1632.90</b>	<b>794.46</b>

## ANNEXURE-24

## STATEMENT OF EMPLOYEES BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Salaries and Wages	38.01	57.32	79.97	65.01
Staff Welfare expenses	0.39	4.34	3.37	1.85
ESI & PF	2.62	5.79	4.84	4.30
Directors' remuneration and allowances	27.00	54.00	60.00	32.50
<b>Total</b>	<b>68.02</b>	<b>121.45</b>	<b>148.18</b>	<b>103.66</b>

## ANNEXURE-25

## STATEMENT OF DEPRECIATION AND AMORTISATION EXPENSES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Depreciation and Amortization Expense	23.60	43.88	32.27	29.81
<b>Total</b>	<b>23.60</b>	<b>43.88</b>	<b>32.27</b>	<b>29.81</b>

## ANNEXURE-26

## STATEMENT OF FINANCE COST

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Finance cost	46.02	94.60	84.13	71.34
<b>Total</b>	<b>46.02</b>	<b>94.60</b>	<b>84.13</b>	<b>71.34</b>

## ANNEXURE-27

## STATEMENT OF OTHER EXPENSES

(Rs. In Lakhs)

Particulars	For the period ended	For the year ended March 31,		
	September 30, 2023	2023	2022	2021
Job work charges	24.32	94.40	101.81	40.26
Power	44.15	79.23	67.79	45.00
GST	216.32	383.80	19.92	13.67
Consumables	0.10	0.31	0.76	-
Prof charges	11.27	30.48	42.41	32.89
Testing charges	-	6.37	3.92	-
Training charges	-	0.12	0.18	-
Audit fees	-	2.00	1.10	1.78
Business Promotion	0.72	3.34	4.22	5.96
Donations	0.72	0.75	-	-
Civil Repair	-	-	0.37	-
Fees, Rates, Taxes Vat	11.22	3.25	4.07	2.35
Freight	6.88	12.98	12.04	8.43
Insurance	2.49	3.22	2.25	3.54
ISO Certification	0.25	0.94	0.93	-
Marketing Expenses	-	-	0.10	-
Misc Expenses	0.05	2.58	1.90	-
Office Maintenance	2.05	6.87	7.74	4.37
Plant Repairs	2.14	6.28	4.98	4.67
Printing and Stationary	0.13	3.05	1.58	1.93
Rent	9.20	18.98	18.53	15.59
Services	9.75	12.90	12.13	-
Subscription	2.50	1.18	1.50	-
Telephones	0.65	1.16	1.49	1.42
Travelling Expenses	2.44	12.35	21.24	12.46
Vehicle Repair	1.02	6.39	5.83	4.77
Bad Debts	-	2.50	5.00	2.50
Computer AMC	-	0.25	0.25	-

Particulars	For the period ended	For the year ended March 31,		
	September 30, 2023	2023	2022	2021
Machinery Repairs	4.65	-	-	-
Late delivery charges	-	3.21	9.69	-
Customs Duty	-	-	0.55	-
Operating & Management fees	-	-	-	9.04
Other Expenses	-	-	-	22.28
<b>Total</b>	<b>353.01</b>	<b>698.89</b>	<b>354.29</b>	<b>232.92</b>

## ANNEXURE-28

### STATEMENT OF CAPITALIZATION

(Rs. In Lakhs)

Particulars	Pre-Issue As on September 30, 2023	Post Issue
<b>Borrowing</b>		
Short - Term Debt	497.45	497.45
Long - Term Debt	713.91	457.37
<b>Total Debt</b>	<b>1211.36</b>	<b>954.82</b>
<b>Shareholders' Funds</b>		
<b>Share Capital</b>		
- Equity	951.65	--
Less: Calls - in - arrears	-	
<b>Share Application money</b>		
- Preference	-	
Reserves & Surplus Including Premium	471.80	--
<b>Total Shareholders' Funds</b>	<b>1423.45</b>	<b>--</b>
<b>Long - Term Debt / Shareholders Fund</b>	<b>0.502</b>	<b>--</b>
<b>Short - Term Debt / Shareholders Fund</b>	<b>0.3495</b>	<b>--</b>
<b>Notes:</b>		
1. Short term debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.		
2. Long term debts represent debts other than Short term debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.		
3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at 30/09/2023.		

## ANNEXURE-29

### STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
-	-	-	-	-
Total	-	-	-	-

**ANNEXURE-30****STATEMENT OF EARNING IN FOREIGN CURRENCY****(Rs. In Lakhs)**

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
-	-	-	-	-
<b>Total</b>	-	-	-	-

**ANNEXURE-31****STATEMENT OF EXPENDITURE IN FOREIGN CURRENCY****(Rs. In Lakhs)**

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
-	-	-	-	-
<b>Total</b>	-	-	-	-

**ANNEXURE-32****STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS**

- |   |  |
|---|--|
| a) Company/entity owned or significantly influenced by directors/ KMP | 1. Keerthi Enterprises<br>2. Prasad Innovation<br>3. Prasad Engineering Works                          |
| b) Key Management Personnel's/Directors:                              | 1. Ch. Vinay Chowdary–<br>Managing Director & CEO<br>2. Ch. Saritha Devi- Whole time<br>Director & CFO |

**Transaction with Key Management Personnel/Directors****(Rs. In Lakhs)**

Name of the Party	Nature of Transactions	As on September 30,	As on March 31,		
		2023	2023	2022	2021
Ch. Vinay Choudary	Advances	12.51	12.51	-	-
	Travel Expenses	1.35	4.12	-	-
Ch. Saritha Devi	Advances	5.27	2.02	-	-
Ch. Vinay Choudary Ch. Saritha Devi	Directors Remuneration	13.68	54.00	-	-
Keerthi Enterprises	Trade payables	(62.65)	(595.55)	-	-
Prasad Innovation	Trade payables	3.05	3.05	-	-
	Job Works	44.78	250.40	-	-
Prasad Engineering Works	Trade payables	18.16	(3.80)	-	-

**ANNEXURE-33****OTHER FINANCIAL INFORMATION- STATEMENT OF ACCOUNTING RATIOS**

(Rs. In Lakhs)

Particulars	As on September 30,	As on March 31,		
	2023	2023	2022	2021
Net worth (A)	1423.45	705.94	379.78	230.59
Net Profit after Tax (B)	203.35	321.55	55.17	20.12
No. of Shares outstanding at the end [F.V Rs.10] (C)	95,16,538	28,83,248	28,83,248	18,83,248
Weighted average number of shares outstanding [F.V Rs.10] (D)	95,16,538	28,83,248	28,83,248	18,83,248
Bonus Shares [E]	39,27,248	-	-	-
Earnings per Share (EPS) (Rs.)	2.14	11.15	1.91	1.07
Return on Net Worth (B/A)	14.29%	45.55%	14.53%	8.73%
Net Assets Value per Share (A/C)	14.96	24.48	13.17	12.24

#### Notes on Earnings Per Share:

1. Basic Earnings per share (Basic-EPS) has been calculated based on the net profit (PAT) attributable to equity shareholders as a numerator and equity shares outstanding before the event of bonus issue as a denominator, as if, the event of bonus issue not been there.
2. Diluted Earnings per share (Diluted-EPS) has been calculated based on the profit after Tax attributable to the equity shareholders as a numerator and number of equity shares outstanding after bonus issue as a denominator (as per AS-20).

#### Definitions of key ratios:

**I. Earnings per Share (Rs.):** Net profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period

**IV. EBIDTA:** Earnings (or profit/(loss)) before interest costs, income taxes, depreciation and amortization expenses

#### ANNEXURE 34

#### STATEMENT OF RATIO ANALYSIS

Particulars	Numerator	Denominator	30 - September-2023	31-Mar-2023	Variance % ( Sep-23-Mar-23)	Reason for Major Deviation (Sep-23-Mar-23)
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Current Ratio (no. of times)	Current Assets	Current Liabilities	1.49	1.71	-12.87%	NA
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	21.37%	111.53%	-80.48%	Deviation due to increase in paid up capital.
Debt-Equity Ratio	Total Borrowings	Shareholder's Equity	1.273	4.195	-69.65%	Deviation due to increase in shareholder's equity.
Debt Service Coverage Ratio	Earning before interest, depreciation and taxes	Debt Service	22.53%	47.50%	-52.57%	Cannot be compared due to half year and full year.
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	7.329	17.435	-57.96%	Cannot be compared due to half year and full year.
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	4.438	8.018	-44.65%	Cannot be compared due to half year and full year.
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	1.709	3.213	-46.81%	Cannot be compared due to half year and full year.
Net capital turnover ratio (no. of times)	Net Sales	Average Working Capital	1.69	3.44	-50.78%	Cannot be compared due to half year and full year.
Net profit ratio (%)	Net Profits after taxes	Net Sales	13.28	11.85	12.07%	Cannot be compared due to half year and full year.
Return on Investment	PAT	Share Capital	21.37%	111.53%	-80.84%	Cannot be compared due to half year and full year.
Basic & Diluted Earnings per share	PAT	No. of Shares outstanding at the end of year	Basic-2 Diluted-11	Basic-2 Diluted-11	NA	Cannot be compared due to half year and full year.
Net Asset Value per share	Net Worth	No. of Shares outstanding at	14.96	24.48	-38.89%	Cannot be compared due to half

		the end of year				year and full year.
Return on Net worth (%)	PAT	Net Worth	14.92%	45.55%	-67.24%	Cannot be compared due to half year and full year.
EBITDA (Rs in Lakhs)	-	-	272.97	574.49	-52.48%	Cannot be compared due to half year and full year.
EBITDA Margin (%)	EBDITA	Total Income	17.18%	21.16%	-18.81%	Cannot be compared due to half year and full year.
EBIT (Rs. In Lakhs)	-	-	296.37	618.37	-52.04%	Cannot be compared due to half year and full year.
Price Earnings ratio (P/E Ratio)	Market Valuation	No of Shares at the end of the year	14.96	24.48	-38.89%	Cannot be compared due to half year and full year.
Return on Capital employed (%)	Earnings before interest and taxes	Capital Employed	11.12%	27.70%	-149.10%	Cannot be compared due to half year and full year.
<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31-March-2023</b>	<b>31-Mar-2022</b>	<b>Variance % (Mar-23-Mar-22)</b>	<b>Reason for Major Deviation (Mar-23-Mar-22)</b>
Current Ratio (no. of times)	Current Assets	Current Liabilities	1.71	1.48	15.54%	NA
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	111.53%	19.13%	483.01%	Deviation due to increase in profit.
Debt-Equity Ratio	Total Borrowings	Shareholder's Equity	4.195	3.26	28.68%	NA.
Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes	Debt Service	47.50%	15.42%	208.04%	NA.
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	17.435	15.54	12.19%	Deviation due to increase in revenue and



						trade receivables.
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	8.018	8.14	-1.47%	Deviation due to increase in trade payables as compared to previous year.
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	3.213	3.077	4.42%	Deviation due to increase in revenue and inventory.
Net capital turnover ratio (no. of times)	Net Sales	Average Working Capital	3.44	3.17	8.52%	Deviation due to increase in working capital compared to previous year.
Net profit ratio (%)	Net Profits after taxes	Net Sales	11.85%	2.46%	381.71%	Deviation due to increase in net profit and revenue from operations as compared to previous year.
Return on Investment	PAT	Share Capital	111.53%	19.13%	483.01%	Increase due to growth in revenues and profit margins.
Basic & Diluted Earnings per share	PAT	No. of Shares outstanding at the end of year	Basic-2 Diluted-11	Basic-1.91 Diluted-1.91	Basic-4.71% Diluted-475.92%	Increase due to multiple growth in revenues and net profit.
Net Asset Value per share	Net worth	No. of Shares outstanding at the end of year	24.48	13.17	85.88%	Increase due to growth in reserves and surplus.
Return on Net worth (%)	PAT	Net Worth	45.55%	14.53%	213.49%	Increase due to growth in revenues and profit margins.
EBITDA (Rs. In Lakhs)	-	-	574.49	171.57	234.84%	Increase due to growth in revenues and profit margins.

EBITDA Margin (%)	EBDITA	Total Income	21.16%	7.66%	176.24%	Increase due to growth in revenues and profit margins.
EBIT (Rs. In Lakhs)	-	-	618.37	139.3	343.91%	Increase due to growth in revenues and profit margins.
Price Earnings ratio ( P/E Ratio)	Market Valuation	No of Shares at the end of the year	24.48	13.17	85.88%	-
Return on Capital employed (%)	Earnings before interest and taxes	Capital Employed	27.90%	10.23%	63.07%	Deviation due to increase in earnings and capital employed.

Particulars	Numerator	Denominator	31-March-2022	31-Mar-2021	Variance % ( Mar-22-Mar-21)	Reason for Major Deviation (Mar-22-Mar-21)
Current Ratio (no. of times)	Current Assets	Current Liabilities	1.48	1.43	3.50%	NA
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	19.13%	10.68%	79.12%	Deviation due to increase in profit.
Debt-Equity Ratio	Total Borrowings	Shareholder's Equity	3.26	4.18	-22.01%	NA
Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes	Debt Service	15.42%	15.40%	0.13%	NA
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	15.54	9.48	63.92%	Deviation due to increase in revenue from operations.
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	8.14	4.46	82.51%	Deviation due to increase in purchases as compared to previous year.
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	3.077	1.83	68.14%	Deviation due to increase in inventory as compared to

						previous year.
Net capital turnover ratio (no. of times)	Net Sales	Average Working Capital	3.17	1.936	31.55%	Deviation due to increase in operations and decrease in working capital.
Net profit ratio (%)	Net Profits after taxes	Net Sales	2.46%	1.61%	52.80%	Deviation due to increase in operations.
Return on Investment	PAT	Share Capital	19.13%	10.68%	79.12%	Increase due to growth in revenues and profit margins.
Basic & Diluted Earnings per share	PAT	No. of Shares outstanding at the end of year	Basic-1.91 Diluted-1.91	Basic-1.01 Diluted-1.01	Basic-89.11% Diluted-89.11%	Increase due to growth in revenues and net profit.
Net Asset Value per share	Net Worth	No. of Shares outstanding at the end of year	13.17	12.24	7.60%	Increase due to growth in revenues and profit margins
Return on Net worth (%)	PAT	Net Worth	14.53%	8.73%	66.44%	Increase due to growth in revenues and profit margins.
EBITDA (Rs. In Lakhs)	-	-	171.57	121.27	41.48%	Increase due to growth in revenues and profit margins.
EBITDA Margin (%)	EBDITA	Total Income	7.66%	9.68%	-20.87%	Deviation due to proportionate decrease in net profit margins.
EBIT (Rs. In Lakhs)	-	-	139.3	91.46	52.31%	Increase due to growth in revenues and profit margins.
Price Earnings ratio ( P/E Ratio)	Market Valuation	No of Shares at the end of the year	13.17	12.24	7.60%	-
Return on Capital employed (%)	Earnings before	Capital Employed	10.23%	8.98%	12.22%	Deviation due to increase in

	interest and taxes					earnings and capital employed.
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## ANNEXURE 35

### OTHER RELEVANT DISCLOSURES

#### Additional regulatory information required by Schedule III of Companies Act, 2013:

- A. Balance of Debtors & Creditors & Loans & advances Taken & given are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.
- B. The company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provision of the Income Tax Act, 1961.
- C. The Company has not traded or invested in crypto currency or virtual currency during the year ended March 2023, March 2022 and March 2021.
- D. The Company did not have any transactions during year ended March 2023, March 2022 and March 2021 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- E. The company has not been declared as willful defaulter by any bank or from any other lender during the year ended March 2023, March 2022 and March 2021.
- F. The company has no secured borrowings from banks hence not required to register any charges, which are required to be registered under The Companies Act, 2013.
- G. As per the information & detail available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of layers) Rules 2017.

**For G R A N D M A R K & ASSOCIATES**

**Chartered Accountants**

**FRN: 011317N**

**CA Vasanth Kumar KBM**

**Partner**

**M. No: 215929**

**UDIN: 24215929BKAIVD4132**

Date: 29th January, 2024

Place: Hyderabad

## OTHER FINANCIAL INFORMATION

The accounting ratios of our Company based on Restated Financial Statements as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are provided below:

Particulars	As at/for the period/financial year ended			
	September 30, 2023 <sup>^</sup>	March 31, 2023	March 31, 2022	March 31, 2021
Basic & Diluted Earnings per Equity Share (in ₹)	2.14	11.15	1.91	1.07
Return on net worth (in %)	14.29%	45.55%	14.53%	8.73%
Net asset value per Equity Share (in ₹)	14.96	24.48	13.17	12.24
EBITDA (₹ in lakhs)	272.97	574.49	171.57	121.27

<sup>^</sup>Not Annualised

Notes on Earnings per Share:

1. Basic Earnings per share (Basic-EPS) has been calculated based on the net profit (PAT) attributable to equity shareholders as a numerator and equity shares outstanding before the event of bonus issue as a denominator, as if, the event of bonus issue not been there.
2. Diluted Earnings per share (Diluted-EPS) has been calculated based on the profit after Tax attributable to the equity shareholders as a numerator and number of equity shares outstanding after bonus issue as a denominator (as per AS-20).

Notes: The ratios on the basis of Restated Financial Statements have been computed as below:

<b>Basic and Diluted Earnings per share (₹)</b>	Net profit/(loss) as restated, attributable to Shareholders divided by Weighted average number of Equity Shares outstanding during the year
<b>Return on Net Worth (%)</b>	Restated net profit after tax for the year attributable to the owners of the Company divided by Restated Net worth of the Company
<b>Net Asset Value per Equity Share</b>	Restated Net worth of the Company divided Number of Equity shares outstanding at the end of period/year
<b>EBITDA</b>	Restated profit/(loss) after tax for the respective Fiscal plus tax expenses plus finance costs plus depreciation and amortization

*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. This has been adjusted for all periods presented by giving effect to the subdivision subsequent to the balance sheet date.*

*“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*



## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2023, derived from our Restated Financial Statements and as adjusted for the Issue. This table below should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 31, 171 and 209 respectively.

(Amount in ₹ Lakhs)

Particulars	Pre-Issue as at September 30, 2023	As adjusted for the Proposed Issue
<b>Borrowings</b>		
Current Borrowings	497.45	497.45
Non-Current Borrowings (including current maturity)	713.91	457.37
<b>Total Borrowings (A)</b>	<b>1211.36</b>	<b>954.82</b>
<b>Shareholder's Funds</b>		
Equity Share Capital	951.65	-
Reserve and Surplus	471.80	-
<b>Total Shareholder's Funds (B)</b>	<b>1423.45</b>	<b>4358.58</b>
Non-Current Borrowings (including current maturities of Long-term Debt) / Total Shareholder's Funds Ratio (times)	<b>0.502</b>	<b>0.105</b>
Total Borrowings / Total Shareholder's Funds Ratio (A/B) (times)	<b>0.851</b>	<b>0.219</b>

*Notes:*

1. Short term debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term debts represent debts other than Short term debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at 30/09/2023.

The Company is proposing to have public issue of shares comprising of issue of new Equity Shares.

## FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail borrowings in the ordinary course of business and for general corporate purposes. For undertaking necessary activities in relation to the Issue, we have obtained the necessary consents from, and provided intimations to, the requisite lenders in terms of the relevant documentation governing their borrowings. For details of borrowing powers of our Board, please see “*Our Management— Borrowing Powers of our Board*” on page 145.

The following is the summary of the outstanding borrowings of the Company as on September 30, 2023.

Category of borrowings	Sanctioned Amount as on September 30, 2023 <sup>^</sup>	Outstanding amount as on September 30, 2023 <sup>^</sup>
<i>(₹ in lakhs)</i>		
Secured		
Working Capital Facilities		
- Fund based	[•]	[•]
- Non-Fund based (Bank Guarantee)	[•]	[•]
Term loans from Banks	[•]	[•]
<b>Total Secured Facilities (A)</b>	[•]	[•]
Unsecured		
Loan from Other	[•]	[•]
Loan from Related Parties	[•]	[•]
<b>Total Unsecured Facilities (B)</b>	[•]	[•]
<b>Total Borrowings (A+B)</b>	[•]	[•]

<sup>^</sup>As certified by Grand Mark & Associates, the Statutory Auditors pursuant to their certificate dated [•].

<i>(₹ in lakhs)</i>								
Sr. No.	Name of Lender	Category of Borrowing	Sanctioned Amount	Outstanding Amount	Rate of Interest (% p.a.)	Repayment Schedule	Security Provided	
1	[•]	[•]	[•]	[•]	[•]	[•]	[•]	
2	[•]	[•]	[•]	[•]	[•]	[•]	[•]	
3	[•]	[•]	[•]	[•]	[•]	[•]	[•]	
4	[•]	[•]	[•]	[•]	[•]	[•]	[•]	
5	[•]	[•]	[•]	[•]	[•]	[•]	[•]	
6	[•]	[•]	[•]	[•]	[•]	[•]	[•]	
7	[•]	[•]	[•]	[•]	[•]	[•]	[•]	

### Restrictive Covenants

Many of the financing agreements of the Company include various restrictive conditions and covenants restricting certain corporate actions and the Company is required to take prior approval of the lender before carrying out such activities. For instance, the Company, inter alia, is required to obtain prior written consent in the following instances:



- to declare and/or pay dividend to any of its shareholders during the financial year unless the Company has paid to the lender the dues payable by the Company;
- to borrow or obtain credit facilities from any bank or financial institution;
- sell, assign, mortgage or otherwise dispose of any of the fixed assets charged by the bank;
- to alter its capital structure

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial information as of for the six months period ended September 30, 2023 and for the financial years ended March 31, 2023, 2022 and 2021, all prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "**Financial Information**" on page 170 of this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of our Company.

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 set forth in the sections titled "**Risk Factors**" and "**Forward Looking Statements**" on pages 30 and 19 respectively, of this Draft Prospectus.

These financial statements have been prepared in accordance with Indian GAAP and the Companies Act. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. We have neither attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Draft Prospectus, by persons not familiar with Indian Accounting Practices, should accordingly be limited.

References to the "*Company*", "*we*", "*us*" and "*our*" in this chapter refer to Falcon Technoprojects (India) Limited, as applicable in the relevant fiscal period, unless otherwise stated.

### OVERVIEW OF OUR BUSINESS

Our Company was incorporated as 'Innomet Advanced Materials Private Limited', under the Companies Act, 2013 pursuant to Certificate of Incorporation dated April 24, 2019 issued by the Registrar of Companies, Hyderabad, Telangana. The name of our Company 'Innomet Advanced Materials Private Limited' was converted into "Innomet Advanced Materials Limited" under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on September 18th, 2023 and had obtained fresh vide Certificate of Incorporation dated November 9th, 2023 issued by the Registrar of Companies, Hyderabad, Telangana. The CIN of the Company is U27101TG2019PLC132262.

M/s Padmasree Enterprises registered as a partnership firm in the year 1984, which was a family concern started as a General Engineering later on converted into a Private Limited Company in the name of M/s Innomet Advanced Materials Private Limited (Innomet) during 2019, which is a family concern started as a General Engineering. The next generation took over and diversified in to other businesses like manufacture of diamond Ttools and later on through backward integration, started manufacture of Metal Powders (Ferrous, Non-Ferrous and various their Alloys). Further with R&D got into and manufacture of Tungsten Heavy Alloys (THA). The Promoters have vast experience in General Engineering, Manufacture of Diamond Tools, water atomised Metal /Alloy powders and Tungsten Heavy alloys.

Manufacture of “METAL POWDERS & TUNGSTEN HEAVY ALLOYS” comes under the gamut of “POWDER METALLURGY”. We The Company has all the necessary infrastructure for the development and manufacture of water atomized Metal Powders and Tungsten Heavy Alloys, specifically for pre-fragments. To update ourselves technologically, we the Company associates with the senior most scientists in the world and with renowned major Research organisations IIT’s in India for continuous development of various Powder Metallurgy (PM) products. The Company has also started / conducted in-house experiments to develop a product required by the end users. M/s Padmasree Enterprises Innomet has been found to be in conformity with the Quality Management System Standard: ISO 9001:2015 with a scope of Manufacturing and supply of Ferrous & Non- ferrous Metal/Alloy Powders and Tungsten Heavy Alloy Components.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled “*Risk Factors*” on page 30 of this Draft Prospectus. The following are certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- General economic and demographic conditions;
- Fluctuations in foreign and Indian currency;
- Periods of disease outbreaks and the impact of COVID-19 pandemic;
- Depreciation, repairs and maintenance of our processing equipment, Storage houses etc.;
- Significant developments in India’s economic and fiscal policies;
- Our ability to obtain the necessary licenses in timely manner;
- Our ability to attract and retain its consumers;
- Our ability to expand its existing retail network;
- Our ability to attract and retain distributors, wholesalers;
- Demand, Supply and pricing for our Products;
- Changes in laws or regulations that affect the usage of Products;
- Changes in Segment Contribution to Revenue;
- Governmental policies, in particular with regard to environmental regulation and alternative energy;
- Social, political and geo-political instability in producing or importing countries, including war, terrorism or labour unrest;

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial information*” on page 171 of this Draft Prospectus.

## **RESULTS OF OUR OPERATIONS**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of Company for the three months period ended September 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021:

(Amount in ₹ lakhs)

Particulars	September 30, 2023		2022-23		2021-22		2020-21	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue From Operations	1531.31	96.38	2712.93	99.93	2238.42	99.91	1243.78	99.32
Other Income	57.53	3.62	1.85	0.07	1.94	0.09	8.52	0.68
<b>Total Revenue</b>	<b>1588.84</b>	<b>100.00 %</b>	<b>2714.78</b>	<b>100.00 %</b>	<b>2240.35</b>	<b>100.00 %</b>	<b>1252.31</b>	<b>100.00 %</b>
Cost of Material Consumed	894.84	56.32	1485.57	54.72	1632.90	72.89	794.46	63.44
Changes in Inventories of finished goods, work-in-progress, and Stock-in-trade	-	-	(165.61)	-6.10	-	-	-	-
Employee Benefits Expenses	68.02	4.28	121.45	4.47	148.18	6.61	103.67	8.28
Finance Costs	46.02	2.90	698.89	25.74	354.29	15.81	232.92	18.60
Depreciation and Amortization Expense	23.60	1.49	94.60	3.48	84.13	3.76	71.34	5.70
Operation and Other Expenses	353.01	22.22	43.88	1.62	32.27	1.44	29.81	2.38
<b>Total Expenses</b>	<b>1385.49</b>	<b>87.20</b>	<b>2278.77</b>	<b>83.94</b>	<b>2185.18</b>	<b>97.54</b>	<b>1232.19</b>	<b>98.39</b>
<b>Profit before tax</b>	<b>203.35</b>	<b>12.80</b>	<b>436.01</b>	<b>16.06</b>	<b>55.17</b>	<b>2.46</b>	<b>20.12</b>	<b>1.61</b>
Tax Expense								
- Current Tax	-	-	114.45	4.22	-	-	-	-
- Deferred Tax	-	-	-	-	-	-	-	-
<b>Profit (Loss) for the period</b>	<b>203.35</b>	<b>12.80 %</b>	<b>321.55</b>	<b>11.84 %</b>	<b>55.17</b>	<b>2.46%</b>	<b>20.12</b>	<b>1.61%</b>

**PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT**

(Rs. In Lakhs)

Particulars	As on September 30, 2023	% of Total Income	As on March 31, 2023	% of Total Income
<b>I. Revenue From Operations</b>				
I. Revenue from Operations	1531.31	2712.93	2238.42	1243.78
II. Other Income	57.53	1.85	1.94	8.52
<b>Total Revenue (I+II)</b>	<b>1588.84</b>	<b>2714.78</b>	<b>2240.35</b>	<b>1252.31</b>
<b>IV. Expenses</b>				

<b>Particulars</b>	<b>As on September 30, 2023</b>	<b>% of Total Income</b>	<b>As on March 31, 2023</b>	<b>% of Total Income</b>
Cost of Material Consumed	894.84	1485.57	1566.32	794.46
Changes in Inventories etc.,	-	(165.61)	-	-
Employee benefit expenses	68.02	121.45	148.18	103.67
Operation and other expenses	353.01	698.89	354.29	232.92
Finance costs	46.02	94.60	84.13	71.34
Depreciation and amortization expenses	23.60	43.88	32.27	29.81
<b>Total Expenses</b>	<b>1385.49</b>	<b>2278.77</b>	<b>2185.18</b>	<b>1232.19</b>
<b>V. Profit before tax (III-IV)</b>	<b>203.35</b>	<b>436.01</b>	<b>55.17</b>	<b>20.12</b>
VI. Extraordinary items	-	-	-	-
<b>VII. Profit Before Tax After Extra items(V-VI)</b>	<b>203.35</b>	<b>436.01</b>	<b>55.17</b>	<b>20.12</b>
VIII Tax expenses				
1. Current taxes	-	114.45	-	-
2. MAT Credit Entitlements	-	-	-	-
3. Deferred tax (net)	-	-	-	-
<b>Profit after tax and before extraordinary items</b>	<b>203.35</b>	<b>321.55</b>	<b>55.17</b>	<b>20.12</b>
Extraordinary items	-	-	-	-
<b>Net Profit after extraordinary items available for appropriation</b>	<b>203.35</b>	<b>321.55</b>	<b>55.17</b>	<b>20.12</b>
<b>Net profit carried to Balance sheet</b>	<b>203.35</b>	<b>321.55</b>	<b>55.17</b>	<b>20.12</b>

### *Income*

Our total revenue for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 were amounting to ₹2714.78 lakhs, ₹2240.35 lakhs & ₹1252.31 lakhs respectively. Our revenue comprises of:

#### *Revenue from operations*

Our revenue from operations primarily comprises of revenue from Sales. Our revenue from operations accounted for 99.93%, 99.91% and 99.32% of our total income for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

#### *Other revenue*

Our other income accounted for 0.07%, 0.09% and 0.68% of our total income for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

#### *Expenses*

Our total expenses for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 amounted to ₹2278.77 lakhs, ₹2185.18 lakhs and ₹1232.19 lakhs respectively. Our expenses primarily consist of the following:

### ***Cost of materials consumed***

Cost of materials consumed consists of changes in inventory of raw materials and raw materials purchased which amounted to ₹1485.57 lakhs, ₹1566.32 lakhs and ₹794.46 lakhs for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively accounting for 54.72%, 69.91 % and 63.44% of the total income respectively.

### ***Employee Benefits Expense***

Employee Benefits expenses primarily consist of (i) Salaries and Wages, (ii) Directors' remuneration and allowances, (iii) Staff welfare and (iv) Contribution to Employee Welfare fund. Employee Benefits expenses for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 amounted to ₹121.45 lakhs, ₹148.18 lakhs and ₹103.67 lakhs respectively which accounted to 4.47 %, 6.61 % and 8.28 % of our total income respectively.

### ***Finance Costs***

Finance cost consists of financing cost on loan facilities and other related expenses such as bank charges amounting to ₹698.89 lakhs, ₹354.29 lakhs and ₹232.92 lakhs for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 which accounted to 25.74%, 15.81% and 18.60% of our total income respectively.

### ***Depreciation and amortization***

Depreciation represents depreciation on our Property, Plant and Equipment. Depreciation and amortization expense amounted to ₹94.6 lakhs, ₹84.13 lakhs and ₹71.34 lakhs for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively which accounted to 3.48%, 3.76% and 5.70% of our total income respectively.

### ***Other Expenses***

Other expenses primarily include Direct Expenses like Job work charges, Power, GST, Consumables, Prof charges, Testing charges, Training charges, Audit fees, Business Promotion, Donations, Civil Repair, Fees, Rates, Taxes Vat, Freight, Insurance, ISO Certification, Marketing Expenses, Misc Expenses, Office Maintenance, Plant Repairs, Printing and Stationary, Rent, Services, Subscription, Telephones, Travelling Expenses, Vehicle Repair, Bad Debts, Computer AMC, Machinery Repairs, Late delivery charges, Customs Duty, Operating & Management fees. These Direct and Administration expenses for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 amounted to ₹43.88 lakhs, ₹32.27 lakhs and ₹29.81 lakhs respectively accounted for 1.62 %, 1.44 % and 2.38 % of our total income respectively.

## **Financial Year 2023 compared to Financial Year 2022**

### ***Total Income***

Our total income increased by 21.81% from ₹2240.35 lakhs in financial year ended March 31, 2022 to ₹2714.78 lakhs in financial year ended March 31, 2023 primarily due to increase in revenue from operations.

### ***Revenue from operations***

Our revenue from operations increased by 21.20% from ₹2238.42 lakhs in financial Year ended March 31, 2022 to ₹2712.93 lakhs in financial Year ended March 31, 2023 primarily due to increase in revenue from Sales.

### ***Other Income***

Other Income decreased by 4.64% from ₹1.94 lakhs in financial year ended March 31, 2022 to ₹1.85 lakhs in financial year ended March 31, 2023.

### ***Expenses***

Total expenses increased by 4.28% from ₹2185.18 lakhs in financial year ended March 31, 2022 to ₹2278.77 lakhs in financial year ended March 31, 2023.

### ***Cost of materials consumed***

Cost of materials consumed decreased by 5.16% from ₹ 1566.32 lakhs in financial year ended March 31, 2022 to ₹ 1485.57 lakhs in financial year ended March 31, 2023 primarily on account of decrease in business volume. As a percentage to total income, cost of material decreased to 54.72% in financial year ended March 31, 2023 from 69.91% in financial year ended March 31, 2022.

### ***Employee Benefits Expense***

Employee Benefits Expense decreased by 26.73% from ₹ 148.18 lakhs in financial year ended March 31, 2022 to ₹ 121.45 lakhs in financial year ended March 31, 2023. As a percentage to total income, employee benefits expenses decreased to 4.47% in financial year ended March 31, 2023 from 6.61% in financial year ended March 31 2022.

### ***Finance Costs***

Finance costs for the financial year ended March 31, 2023 amounted to ₹ 698.89 lakhs as compared to ₹ 354.29 lakhs in financial year ended March 31, 2022 which is an increase of 97.26%. As a percentage to total income, finance costs increased to 25.74% in financial year ended March 31, 2023 from 15.81% in financial year ended March 31, 2022.

### ***Depreciation and amortization***

Depreciation and amortisation expenses increased by 12.45% from ₹84.13 lakhs in financial year ended March 31, 2022 to ₹ 94.6 lakhs in financial year ended March 31, 2023. As a percentage to total income, depreciation and amortisation expenses decreased to 3.48% in financial year ended March 31, 2023 from 3.76% in financial year ended March 31, 2022.

### ***Other Expenses***

Other expenses primarily include Direct Expenses like Job work charges, Power, GST, Consumables, Prof charges, Testing charges, Training charges, Audit fees, Business Promotion, Donations, Civil Repair, Fees, Rates, Taxes Vat, Freight, Insurance, ISO Certification, Marketing Expenses, Misc

Expenses, Office Maintenance, Plant Repairs, Printing and Stationary, Rent, Services, Subscription, Telephones, Travelling Expenses, Vehicle Repair, Bad Debts, Computer AMC, Machinery Repairs, Late delivery charges, Customs Duty, Operating & Management fees. These Direct and Administration expenses for the financial years ended March 31, 2023 and March 31, 2022 amounted to ₹ 698.89 lakhs and ₹ 354.29 lakhs respectively accounted for 25.74% and 15.81% of our total income respectively.

## **Financial Year 2022 compared to Financial Year 2021**

### ***Total Income***

Our total income increased by 78.90% from ₹ 1252.31 lakhs in financial year ended March 31, 2021 to ₹ 2240.35 lakhs in financial year ended March 31, 2022 primarily due to an increase in revenue from Operations.

### ***Revenue from operations***

Our revenue from operations increased by 79.97 % from ₹ 1243.78 lakhs in financial year ended March 31, 2021 to ₹ 2238.42 lakhs in financial year ended March 31, 2022 primarily due to increase in revenue from Sales.

### ***Other Income***

Other Income decreased by 77.23% from ₹ 8.52 lakhs in financial year ended March 31, 2021 to ₹ 1.94 lakhs in financial year ended March 31, 2022.

### ***Expenses***

Total expenses increased by 77.34% from ₹ 1232.19 lakhs in financial year ended March 31, 2021 to ₹ 2185.18 lakhs in financial year ended March 31, 2022.

### ***Cost of materials consumed***

Cost of materials consumed increased by 97.16% from ₹ 794.46 lakhs in financial year ended March 31, 2021 to ₹ 1566.32 lakhs in financial year ended March 31, 2022 primarily on account of increase in business volumes. As a percentage to total income, cost of material consumed increased to 69.91% in financial year ended March 31, 2022 from 63.44% in financial year ended March 31, 2021.

### ***Employee Benefits Expense***

Our Employee Benefits Expense increased by 42.93% from ₹ 103.67 lakhs in financial year ended March 31, 2021 to ₹ 148.18 lakhs in financial year ended March 31, 2022. As a percentage to total income, employee benefits expenses increased to 6.61% in the financial year ended March 31, 2022 from 8.28% in financial year ended March 31, 2021.

### ***Finance Costs***

Financial costs for the financial year ended March 31, 2022 amounted to ₹ 354.29 lakhs as compared to ₹ 232.92 lakhs in financial year ended March 31, 2021 which is an increase of 52.11%. As a percentage to total income, finance costs increased to 15.81% in the financial year ended March 31, 2022 from 18.60% in financial year ended March 31, 2021.



### ***Depreciation and amortization***

Depreciation and amortisation expenses increased by 42.93% from ₹ 71.34 lakhs in financial year ended March 31, 2021 to ₹ 84.13 lakhs in financial year ended March 31, 2022. As a percentage to total income, depreciation and amortisation expenses increased to 3.76% in the financial year ended March 31, 2022 from 5.70% in financial year ended March 31, 2021.

### ***Other Expenses***

Other expenses primarily include Direct Expenses like Job work charges, Power, GST, Consumables, Prof charges, Testing charges, Training charges, Audit fees, Business Promotion, Donations, Civil Repair, Fees, Rates, Taxes Vat, Freight, Insurance, ISO Certification, Marketing Expenses, Misc Expenses, Office Maintenance, Plant Repairs, Printing and Stationary, Rent, Services, Subscription, Telephones, Travelling Expenses, Vehicle Repair, Bad Debts, Computer AMC, Machinery Repairs, Late delivery charges, Customs Duty, Operating & Management fees. These Direct and Administration expenses for the financial years ended March 31, 2022 and March 31, 2021 amounted to ₹ 354.29 lakhs and ₹ 232.92 lakhs respectively accounted for 15.81% and 18.60% of our total income respectively.

### **CASH FLOWS**

The following table sets forth our cash flows for the period indicated:

	<i>(Amount in ₹ Lakhs)</i>		
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Net cash flow from/ (used in) operating activities	352.99	(17.80)	(12.58)
Net cash flow from/ (used in) investing activities	(472.44)	(271.54)	(68.83)
Net cash flow from/ (used in) financing activities	118.15	288.12	79.66
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1.30)</b>	<b>(1.21)</b>	<b>(1.75)</b>
Cash and cash equivalents at the beginning of the year	1.86	3.08	4.82
<b>Cash and cash equivalents at the end of the year</b>	<b>0.55</b>	<b>1.86</b>	<b>3.08</b>

### **Operating Activities**

#### ***Financial Year 2022-23***

Our net cash generated from operating activities was ₹352.99 lakhs for the financial year ended March 31, 2023. Our operating profit before changes in working capital changes was ₹479.89 lakhs which was adjusted against changes in trade payables, other current liabilities, short-term provisions, inventories, trade receivables, short term loans & advances, other current assets by ₹ 75.10 lakhs, ₹ 19.82 lakhs, ₹ (21.34) lakhs, ₹ 31.41 lakhs, ₹ (109.22) lakhs, ₹ (44.23) lakhs and ₹ (14.24) lakhs respectively.

#### ***Financial Year 2021-22***

Our net cash used in operating activities was ₹17.80 lakhs for the financial year ended March 31, 2022. Our operating profit before changes in working capital changes was ₹87.44 lakhs which was adjusted against changes in trade payables, other current liabilities, short-term provisions, inventories, trade receivables, short term loans & advances, other current assets by ₹ 28.15 lakhs, ₹ 21.21 lakhs, ₹ (44.67) lakhs, ₹ (98.98) lakhs, ₹ (25.66) lakhs, ₹ (28.33) lakhs and ₹ 43.05 lakhs respectively.

### ***Financial Year 2020-21***

Our net cash used in operating activities was ₹12.58 lakhs for the financial year ended March 31, 2021. Our operating profit before changes in working capital changes was ₹49.93 lakhs which was adjusted against changes in trade payables, short-term provisions, inventories, trade receivables, short term loans & advances, other current assets by ₹ 77.88 lakhs, ₹ 24.27 lakhs, ₹ (172.65) lakhs, ₹ 3.95 lakhs, ₹ 54.58 lakhs and ₹ (50.54) lakhs respectively.

### **Investing Activities**

#### ***Financial Year 2022-23***

Our net cash used in investing activities was ₹472.44 lakhs for the financial year ended March 31, 2023. It was on account of increase in purchase of fixed assets of ₹470.50 lakhs and long term loans and advances of ₹1.95.

#### ***Financial Year 2021-22***

Our net cash used in investing activities was ₹271.54 for the financial year ended March 31, 2023. It was on account of increase in purchase of fixed assets of ₹248.41 lakhs and long term loans and advances of ₹23.13.

#### ***Financial Year 2020-21***

Our net cash used in investing activities was ₹68.83 lakhs for the financial year ended March 31, 2021. It was on account of purchase of fixed assets of ₹68.83.

### **Financing Activities**

#### ***Financial Year 2022-23***

Net cash generated from financing activities for the financial year ended March 31, 2023 was ₹118.15 lakhs which was on account of movement in long term borrowings, short term borrowings and Proceeds from issuance of capital amounting to ₹ (125.73) lakhs, ₹127.58 lakhs and ₹514.15 lakhs respectively.

#### ***Financial Year 2021-22***

Net cash generated from financing activities for the financial year ended March 31, 2022 was ₹288.12 lakhs which was on account of increase in long term borrowings, short term borrowings and Proceeds from issuance of capital amounting to ₹187.52 lakhs, ₹6.59 lakhs and ₹94.02 lakhs respectively.

#### ***Financial Year 2020-21***

Net cash generated from financing activities for the financial year ended March 31, 2022 was ₹288.12 lakhs which was on account of movement in long term borrowings, short term borrowings and Proceeds from issuance of capital amounting to ₹94.99 lakhs, ₹(10.63) lakhs and ₹(4.69) lakhs respectively.

## **Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

### **Interest rate risk**

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

### **Liquidity risk**

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employ prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

### **Credit Risk**

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

### **Material Frauds**

There are no material frauds committed against our Company in the last three financials year.

### **Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

### **Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "*Risk Factors*" on page 30 of this Draft Prospectus.

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

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 30 and 207, respectively, of this Draft Prospectus, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

**Future changes in the relationship between costs and revenues**

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 30 and 207, respectively, and elsewhere in this Draft Prospectus, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation, government policies and other economic factors.

**New products or Business segments**

Except as disclosed in this Draft Prospectus, we have not announced and do not expect to announce in the near future any new products/ services or business segment.

**Competitive Conditions**

We expect competition in our business from existing and potential competitors to intensify. We face competition from both organised and unorganised players in the market. We believe our expertise and quality service offerings with distinguished experience will be key to overcome competition posed by such players. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the quality and pricing of our services.

**Seasonality of Business**

Our business is not subject to seasonal variations; however, our business activities are similar to real estate construction services which are affected by monsoon.

**Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions see "*Restated Financial Statements*" on page 171 of this Draft Prospectus.

### **Material Developments subsequent to March 31, 2023**

After the date of last audited accounts i.e. March 31, 2023, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the operations or profitability of the Company, the value of its assets or its ability to pay its liability. However, following material events have occurred after the last audited period.

1. The Board of Directors via its Board resolution passed on December 15, 2023 authorized the funds to be raised by making an initial public offering.
2. The Shareholders via its Resolution passed at the EGM held on January 10, 2024 authorized the funds to be raised by making an initial public offering.
3. The Shareholders via its Resolution passed at the EGM held on January 10, 2024 to increasing the Borrowing Power of the Company upto Rs. 100.00 Crores.
4. The financial statements-Audit Report for March 31, 2023 were approved by Board of directors vide resolution dated July 26, 2023.
5. Mr. Chadalavada Venkata Bhaskar Rao was appointed as Additional Director (Independent Director) by passing of Board Resolution dated August 24, 2023.
6. Mr. Poda Ramakrishna Rao was appointed as Additional Director (Independent Director) by passing of Board Resolution dated August 24, 2023.
7. Mr. Kolli Abhiram was appointed as Additional Director (Independent Director) by passing of Board Resolution dated August 24, 2023.
8. Mrs. Saritha devi chilkapati was redesignated as Whole-time Director & CFO of the company by the board of directors by passing a resolution dated August 24, 2023.
9. Mrs. Aanchal Sethia was appointed as Company Secretary and Compliance officer of the company by passing a board resolution dated August 24, 2023.
10. Mr. Vinay Choudary Chilakapati was redesignated as Managing Director & CEO of the company by the board of directors by passing a resolution dated August 24, 2023.
11. The Board of Directors vide their resolution dated August 24, 2023 have allotted 10,44,000 Equity Shares against the Purchase of Trademarks.
12. The Board of Directors vide their resolution dated September 4, 2023 have allotted 39,27,248 Bonus Equity Shares.
13. The Board of Directors vide their resolution dated September 20, 2023 have allotted 10,30,526 Equity Shares through Sweat Issue.
14. The Board of Directors vide their resolution dated September 20, 2023 have allotted 6,31,516 Equity Shares through Conversion of Compulsory Convertible Debentures.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (i) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of the profit after tax derived from the most recently completed fiscal year as per Restated Financials of the Company; or (ii) where the monetary liability is not quantifiable, or which may not meet the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company, irrespective of the amount involved in such litigation; or (iii) Litigation where the decisions in one litigation is likely to affect the decision in similar litigation, even though the amount involved in an individual litigation may not exceed an amount of 10% of the profit after tax, derived from the most recently completed fiscal year as per the Restated financials. Each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://www.finecars.co.in/>*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse*

*effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

**OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES**

**PART 1: LITIGATION RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

## **PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Disciplinary Actions by Authorities**

NIL

#### **4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax:

##### **Ms. Saritha Devi Chilakapati (Promoter cum Wholetime Director and CFO)**

1. A.Y. 2022-23:

As per details available on the website of the Income Tax Department Ms. Saritha Devi Chilakapati (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2023202237229255144T dated December 23, 2023 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 12,580/- for A.Y. 2022-23 in addition to an interest of Rs. 250/- and the same has been disputed by the assessee and is pending.

##### **Vinay Choudary Chilakapati (Managing Director)**

1. A.Y. 2022-23:

As per details available on the website of the Income Tax Department Mr. Vinay Choudary Chilakapati (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2023202237229570436T dated December 24, 2023 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 39,920/- for A.Y. 2022-23 and the same has been disputed by the assessee and is pending.

##### **Venkata Bhaskara Rao Chandalavada (Director)**

1. A.Y 2009-10:

As per details available on the website of the Income Tax Department Mr. Venkata Bhaskara Rao Chandalavada (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2010200937014409430T dated December 29, 2010 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 920/- and Interest of Rs. 7,137 for A.Y. 2009-10 and the same has been disputed by the assessee and is pending.

#### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL



**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

**PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus.

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

**MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Prospectus.

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

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

**DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 207. There have been no material developments that have occurred after the Last Balance Sheet Date.

**OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on [●] -

Name	Balance as on [●] (in Lacs)
Total Outstanding dues to Micro and Small & Medium Enterprises	[●]
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	[●]

## **GOVERNMENT AND OTHER KEY APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Originally incorporated as a Partnership firm in the name and style of M/s. Padmashri Enterprises, pursuant to partnership deed dated March 21, 1984. Having firm Serial of Firm No.2103 Of 1984.
2. Fresh Certificate of Incorporation dated April 24, 2019 from the Registrar of Companies, Central Registration Centre issued on behalf of Jurisdictional Registrar of Companies under the Companies Act, 2013 as "INNOMET ADVANCED MATERIALS PRIVATE LIMITED" (Company registration no. (U27101TG2019PTC132262)
3. Fresh Certificate of Incorporation dated November 09, 2023 from the Registrar of Companies, Telangana, RoC-Hyderabad, consequent to conversion of the Company from "INNOMET ADVANCED MATERIALS PRIVATE LIMITED" to "INNOMET ADVANCED MATERIALS LIMITED" (Corporate Identification No. - U27101TG2019PLC132262)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on December 15, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) I of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated January 10, 2024 under Section 62(1) I of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated February 14, 2024 authorized our Company to take necessary action for filing the Draft Prospectus with NSE EMERGE.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated **November 24, 2023** with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated **December 07, 2023** with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited, for the dematerialization of its shares.

**APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

**Tax Related Approvals**

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AAFCI2535 J	Income Tax Department	April 24,2019	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram , Hyderabad,Medak-502032 Telangana	HYDI06023 D	Income Tax Department	April 24,2019	Valid till Cancelled
3.	Tax Deduction Account Number (TAN)	M/s. Innomet Advanced Materials Limited, B-31, Bhel,AIE, Ramachandrapuram , Hyderabad,Medak-502032 Telangana	HYDI08673 A	Income Tax Department	December 12, 2023	Valid till Cancelled
4.	GST Registration Certificate (Telangana)	M/s. Innomet Advanced Materials Limited, <b>Principal Place:</b> B 31, Bhel Ancillary Industrial Estate, Ramachandrapuram , Hyderabad, Telangana, 502032  <b>Additional Place:</b> Sultanpur, F 35 And F 36, Innomet Advanced Materials Pvt Ltd, Sultanpur, Flo Industrial Park, Sultanpur Village, Hyderabad, Sangareddy, Telangana, 502319	36AAFCI2535J1ZJ	Goods and Services Tax department	Effective from May 04, 2019	Valid till Cancelled

5.	Profession Tax Payer Enrolment Certificate (P.T.E.C)	M/s. Innomet Advanced Materials Limited, B-31, Bhel, AIE, Ramachandrapuram, Hyderabad, Medak-502032 Telangana	PTIN:36661372144	Government of Telangana, Commercial Taxes Department, Hyderabad	July 03,2019	Valid till Cancelled
6.	Profession Tax Payer Registration Certificate P.T.R.C	M/s. Innomet Advanced Materials Limited, B-31, Bhel, AIE, Ramachandrapuram, Hyderabad, Medak-502032 Telangana	36661372144	Government of Telangana, Commercial Taxes Department, Hyderabad	July 03,2019	Valid till Cancelled

**Registrations related to Labour Laws:**

S.No	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under Factories Act, Licence To Work a Factory	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel, AIE, Ramachandrapuram, Hyderabad-502032	Registration / License No.41565 Application id-FAM20190002747	Government Of Telangana, Inspector Of factories	August 05, 2019	Valid till Cancelled
2.	Consent to establish Factory	Plot No. F35 & F36, FICCI-FLO, IP-Sultanpur, Ameenpur Mandal District Sangareddy	Agreement for sale of land dated August 22, 2019 executed with Telangana State Industrial Infrastructure Corporation Limited (TSIICL)	Telangana State Industrial Infrastructure Corporation Limited (TSIICL)	August 22, 2019	---
3	Building plan approval certificate	Plot No. F35 & F36, FICCI-FLO, IP-Sultanpur, Ameenpur Mandal District Sangareddy	License No. 71987a10	Telangana State Industrial Infrastructure Corporation Limited (TSIICL)	November 04, 2020	November 04, 2026
4	License from Telangana State Pollution control Board	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram-502032	TSPCB/ZO/RCP/SANG/158/CFO/2021-805 -ORANGE CATEGORY	Telangana State Pollution Control Board	August 08, 2021	June 30, 2021
5	Registration under the Employees Provident fund (EPF)	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate,	10000266409PTC	Employees Provident Fund,	June 06, 2019	Valid till Cancelled

		Ramachandrapuram, Medak-502032 Telangana				
6.	Registration under Employees State Insurance Act (ESIC)	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram-502032	520007216900005 02	Regional Office, Employee's State Insurance Corporation,	June 06, 2019	Valid till Cancelled

**Business Related Approvals:**

S.No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1	IEC	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram-502032	AAFCI253 5J	Ministry of Commerce and Industry, Directorate General of Foreign Trade, Ludhiana	June 17, 2022	Valid till Cancelled
2.	Udyam Registration Certificate	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram Hyderabad-502032, Telangana	UDYAM-TS-25-0000821	Ministry Of Micro Small & Medium Enterprises	October 16, 2020	Valid till cancelled
3.	LEI (Legal Entity Identifier)	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram Hyderabad-502032, Telangana	U27101TG 2019PTC13 2262	Legal Entity Identifier India Limited	March 19, 2021	March 19, 2024
4.	ISO 9001:2015 (Manufacture and Supply of Tungsten Heavy Alloy Components)	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, R.C. Puram Hyderabad-502032, Telangana	Certificate No.991001 9879	Tuv Sud South Aisa Private Limited	May 28, 2022	May 27, 2025

5.	ISO 9001:2015 (Manufacture and Supply of Ferrous and Non Ferrous Metal and Metal Alloy Powders)	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, R.C. Puram Hyderabad-502032, Telangana	Certificate No.991002 1465	Tuv Sud South Aisa Private Limited	March 22, 2021	March 21, 2024
6.	Registration Of Firm as Approved Vender	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel Ancillary Industrial Estate, Ramachandrapuram Hyderabad-502032, Telangana	Registration No.1200004 318,Ref.No. RCI/DCMM /VR/2020-7856	Ministry Of Defence, Defence R & D Organisation (DRDO),Hyderabad	September 01,2020	January 19,2027

### **Intellectual Property**

#### **Trademarks registered/Objected/Abandoned in the name of our company**

S. No	Brand Name/Logo Trademark	Classes	Nature of Trademark and registration number	Ownership and Acquisition details	Date of Application	Authority	Current Status
1.	Word "INNOMET" **	6	4067688	M/s. Padmasree Enterprises, B-31,B.H.E.L, A.I.E, R.C. Puram Hyderabad-502032	January 25, 2019	Trade Mark Registry, Mumbai	Registered
2.	Word "INNOTUNG" **	6	4067687	M/s. Padmasree Enterprises, B-31,B.H.E.L, A.I.E, R.C. Puram Hyderabad-502032	January 25, 2019	Trade Mark Registry, Mumbai	Registered

\*The Company has received the said Trademarks against the allotment of 10,44,000 Equity Shares. Further the application for assignment of said Trademark is under process with the respective Trademark Registry.



## Domain Name

S. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://www.innomet.net/">https://www.innomet.net/</a>	313026350_DOMA INNET-VRSN	PDR Ltd. d/b/a PublicDomainRegistry. com, IANA ID:303	January 11,2006	January 11, 2025

## LICENSES TO BE APPLIED FOR:

S. No.	Description	Address of Premises	Authority to which application made	Existing Registration number if any	When to be applied / Purpose of Application
1.	License from Pollution control Board	Plot No. F35 & F36, FICCI-FLO, IP-Sultanpur, Ameenpur Mandal District Sangareddy	Telangana State Pollution Control Board	--	After the installation of Machinery
2.	Registration under Factories Act, Licence To Work a Factory	M/s. Innomet Advanced Materials Private Limited, B-31, Bhel, AIE, Ramachandrapuram, Hyderabad-502032	Government Of Telangana, Inspector Of Factories	Registration / License No.41565 Application id- FAM201900 02747	Increase in number of labour to be employed at the factory premises

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited Company.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Issue in terms of this Draft Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated December 15, 2023 and by the shareholders pursuant to the special resolution passed in Extra-Ordinary General Meeting dated January 10, 2024 under Section 62(1)(c) and other applicable provisions of the Companies Act, 2013. This Draft Prospectus has been approved by our Board of Directors pursuant to the resolution passed at its meeting held on February 15, 2024.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '*Government and Other Statutory Approvals*' beginning on page 225 of this Draft Prospectus.

### **IN-PRINCIPLE LISTING APPROVALS**

Our Company has obtained in-principle approval from NSE EMERGE by way of our letter dated [●] for listing of our Equity Shares on the NSE EMERGE. NSE Limited is the Designated Stock Exchange.

### **PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES**

We confirm that our Company, our Directors, our Promoters, Promoter Group, the person(s) in control of our promoter or our Company are not prohibited from accessing the capital market for any reason or debarred from buying, selling or dealing in securities, under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing the capital markets under any order or direction passed by SEBI or any other authority.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET**

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.

## **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

As on the date of this Draft Prospectus, our Company, our Promoters and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to them.

### **ELIGIBILITY FOR THE ISSUE**

Our Company is eligible for the Issue in accordance with Regulation 229 (2) of the SEBI (ICDR) Regulations, and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are “An issuer, whose post issue face value capital is more than ten crore rupees and up to twenty-five crore rupees, may also issue specified securities in accordance with provisions of this Chapter”.

#### **We further confirm that:**

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we ensure that our Lead Manager submits a soft copy of the Prospectus to SEBI. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus. In terms of Regulation 246(1) and (3) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Offer Document along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Offer Document with Stock Exchange and the Registrar of Companies.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018 this Issue is 100.00% (Hundred Percent) underwritten and shall not be restricted to a minimum subscription level. For further details, pertaining to said underwriting please refer to the paragraph titled ‘*Underwriting*’ under the section titled ‘*General Information*’ on page 62 of this Draft Prospectus.

In accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) 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 4<sup>th</sup> (fourth) day, be liable to repay such application money with interest as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable laws.

In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager to the Issue and Market Maker to ensure compulsory market making for a minimum period of three (3) years from the date of listing of Equity Shares on NSE EMERGE. For further details of the arrangement of market making please refer to the paragraph titled ‘*Details of the Market Making Arrangements for this Issue*’ under the section titled ‘*General Information*’ on page 63 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

### **NSE EMERGE ELIGIBILITY NORMS**

*The company is incorporated under the Companies Act, 2013.*

Our Company is incorporated under Companies Act, 2013.

***The post-issue paid-up equity share capital***

The post-issue paid-up capital of the company (face value) shall not be more than ₹ 25 crores.

***Track Record***

Our Company has track record of more than three years as on date of filing of this Draft Prospectus.

***The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.***

The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 3 financial years preceding the application and its net-worth as on March 31, 2023 is positive.

(₹ In Lakhs)

Particulars	September 30, 2023	For the year ended March 31		
		2023	2022	2021
Operating Profit (EBITDA)	227.97	574.49	171.57	121.27
Net Worth	1423.45	705.95	379.78	230.59

***Other Listing Conditions***

Our Company has a website i.e. [www.innomet.net](http://www.innomet.net).

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under the Insolvency and Bankruptcy Code against our Company.

Our company has not received any winding up petition admitted by a NCLT/ Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our Company.

None of IPO draft offer document returned during past 6 months from the date of this application, of our Lead Manager filed with the Exchange.

Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.

**Other Disclosures:**

We further confirm that:

- a) Neither the stock exchange nor any regulatory authority has taken any material regulatory or disciplinary action in the past one year against our promoters, group companies, companies promoted by the promoters.
- b) Neither our Company nor our promoters, group companies, companies promoted by the promoters

have defaulted in payment of interest and/or principal to debenture/bond/fixed deposit holders, banks, FIs during the past three years.

- c) There are no litigation records against our promoters, group companies, companies promoted by the promoters except disclosed on page 219 in section “*Outstanding Litigation and Other Material Developments*”.
- d) There are no criminal cases/investigation/offenses filed against any Director of our Company.

We further confirm that we will comply with all other requirements as prescribed for such an issue under Chapter IX of the SEBI ICDR Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER TO THE ISSUE, EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, FOR THE TIME BEING IN FORCE. 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 PROSPECTUS, THE LEAD MANAGER TO THE ISSUE, EXPERT GLOBAL CONSULTANTS 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 LEAD MANAGER TO THE ISSUE HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT PROSPECTUS 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 LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Hyderabad, Telangana, in terms of Section 26, Section 32 and Section 33 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY, OUR PROMOTERS, OUR DIRECTORS AND THE LEAD MANAGER TO THE ISSUE**

Our Company and the Lead Manager to the Issue accept no responsibility for statements made otherwise than those contained in the Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager to the Issue accepts no responsibility, save to the limited extent as, provided in the Issue Agreement entered between the Lead Manager to the Issue and our Company on February 12, 2024 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

Our Company shall not be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

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

The Lead Manager to the Issue may engage in transactions with, and perform services for, our Company, our group Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **CAUTION**

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

## **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 competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) at Hyderabad, Telangana, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Applicants are advised to ensure that any Application from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant wherever required must agree in the Allotment Advice that such Applicant will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

## **DISCLAIMER CLAUSE OF THE SME PLATFORM OF NSE EMERGE**

As required, a copy of this Draft Prospectus has been submitted to NSE EMERGE. The disclaimer clause as intimated by NSE EMERGE to our Company, post scrutiny of this Draft Prospectus, will be included in the Prospectus prior to the filing with the RoC.

## **FILING**

This Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India.

Pursuant to Regulation 246(5) of SEBI ICDR Regulations, a copy of the Prospectus will also be filed with the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online on the SEBI Intermediary portal at <https://siportal.sebi.gov.in>

A copy of the Prospectus, along with the documents required to be filed under applicable provisions of the Companies Act, 2013 would be delivered for registration to the Registrar of Company, Hyderabad, Telangana.

## **LISTING**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE platform of the NSE. Our Company has obtained in-principle approval from NSE EMERGE by way of its letter dated [●] for listing of equity shares on SME Platform of NSE i.e., NSE EMERGE.

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 Emerge is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft 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 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 NSE EMERGE platform of the NSE Limited mentioned above are taken within three (3) Working Days of 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-*

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*; shall be liable to action under section 447 of the Companies, Act 2013.’*



## CONSENTS

Consents in writing from our Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Bankers to the Company, Lead Manager to the Issue, Registrar to the Issue, Banker to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\*, to act in their respective capacities shall be obtained as required under applicable provisions of the Companies Act, 2013; and shall be filed along with a copy of the Prospectus with the RoC, as required under applicable provisions of the Companies Act, 2013 and such Consents will not be withdrawn up to the time of delivery of the Draft Prospectus and Prospectus for registration with the RoC.

*\* The consents will be taken while registering the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, G R A N D M A R K & Associates, Chartered Accountants, Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on '**Statement of Possible Special Tax Benefits**' relating to the possible tax benefits and restated financial statements as included in the Draft 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 Draft Prospectus.

## EXPERTS OPINION

Except for the reports in the section '**Financial Information**' and '**Statement of Possible Special Tax Benefits**' beginning on page 170 and 99 of this Draft Prospectus from the Peer Review Auditor and Statutory Auditor respectively, our Company has not obtained any expert opinions.

## PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Our Company has not made any previous public issue in India or abroad in the five (5) years preceding the date of the Draft Prospectus.

Except as disclosed, hereinafter our Company has not made any previous rights issue in India or abroad in the five (5) years preceding the date of the Draft Prospectus:

### **Previous issues of Equity Shares otherwise than for cash**

For a detailed description, please refer to section titled '**Capital Structure**' beginning on page 66 of this Draft Prospectus.

### **Commission, brokerage and selling commission on Previous Issues**

Since this is the Initial Public Issue 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.

### **Performance vis-a-vis objects – Public/right issue of our Company**

Except as stated under section titled '**Capital Structure**' beginning on page 66 of this Draft Prospectus, our Company has not undertaken any previous public or rights issue.

**Performance vis-a-vis objects – Public/right issue of the listed subsidiaries/ listed promoters of our Company**

Our Company does not have any subsidiaries company neither any group/ associate company of our company are listed on any stock exchange.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds, or redeemable preference shares as on the date of filing the Draft Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing the Draft Prospectus.

**Option to Subscribe**

Equity Shares being issued through the Draft Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchanges.

**Price information of past issues handled by the Lead Manager:**

Sr. No.	Issue name	Issue size (Rs. Lakhs)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (Rs.)	+/- % change in closing price, +/- % change in Closing benchmark		
						30 <sup>th</sup> calendar days from listing	90 <sup>th</sup> calendar days from listing	180 <sup>th</sup> Calendar days from listing
1.	Rite Zone Chemcon India Limited	896.40	75.00	November 11, 2022	82.85	-7.99%; [0.80%]	-11.56%; [-2.60%]	-19.21%; [-0.46%]
2.	Dollex Agrotech Limited	2,438.80	35.00	December 28, 2022	30.00	15.24%; [-1.27%]	-12.70%; [-6.27%]	18.10%; [3.00%]
3.	Sonalis Consumer Products Limited	283.20	30.00	June 19, 2023	38.00	85.59%; [5.30%]	69.65%; [7.66%]	-17.29%; [14.40%]
4.	Zeal Global Services Limited	3,646.20	103.00	August 9, 2023	147.00	57.11%; [0.48%]	32.52%; [-1.12%]	NA
5.	Mangalam Alloys Limited	₹ 5,491.20	80.00	October 04, 2023	80.00	-34.54%; [-1.56%]	-32.70%; [11.86%]	NA
Main Board: NIL								

For details regarding the track record of the LM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website [www.expertglobal.in](http://www.expertglobal.in)

Sources: All share price data is from [www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)

Note:

- The Wherever 30th/90th/180th calendar day from the listing day is a holiday, the closing data of the next trading day has been considered.
- The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past issues handled by Expert Global Consultants Private Limited:

Financial Year	Total no. of IPOs	Total Funds raised (Rs. Crores)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar		
			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%
2023-24	3 <sup>#</sup>	9,420.60	2	-	-	-	1	-	-	-	1	-	-	-
2022-23	2	3,335.20	-	-	1	-	-	1	-	-	1	-	-	1
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary & Compliance Officer, the Lead Manager 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID, date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant must enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to the Application submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to Issue for the redressal of routine investor grievances shall be ten (10) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Aanchal Sethia as the Company secretary & Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Her contact details are as follows:

### **Ms. Aanchal Sethia**

Company Secretary & Compliance Officer

#### **Innomet Advanced Materials Limited**

B 31, BHEL Ancillary Industrial Estate, Ramchandrapuram, Medak  
Hyderabad - 502032 Telangana, India.

**Telephone:** +91 04023021726

**Email-ID:** [cs@innomet.net](mailto:cs@innomet.net)

**Website:** [www.innomet.net](http://www.innomet.net)

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system 'SCORES'. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of the Draft Prospectus and hence there are no pending investor complaints as on the date of the Draft 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.

### Change in Statutory Auditors

Following changes have been made in our Company's statutory auditors in the last three (3) years.

Particulars	Date of change	Reasons for change
<b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Telephone Number:</b> +91-7207876108, +91- 9963228949 <b>Email:</b> vasanth@grandmarkca.com <b>Firm registration number:</b> 011317N <b>Peer review number:</b> 012124	19/08/2023	Auditor appointed in 4 <sup>th</sup> Annual General Meeting held on August 19, 2023 to hold office from conclusion of 4 <sup>th</sup> Annual General meeting to 9 <sup>th</sup> Annual General Meeting.
<b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Telephone Number:</b> +91- 9963228949 <b>Email:</b> vasanth@grandmarkca.com <b>Firm registration number:</b> 011317N <b>Peer review number:</b> 012124	10/07/2023	Auditor appointed in Extra Ordinary General Meeting held on July 10, 2023 to hold office till the conclusion of 4 <sup>th</sup> Annual General Meeting.
<b>G R A N D M A R K &amp; Associates,</b> Chartered Accountants Suite 302, Level 3, Lumbini Amrutha Chambers, Road No 3, Banjara Hills, Hyderabad- 500034, Telangana, India <b>Telephone Number:</b> +91-7207876108, +91- 9963228949 <b>Email:</b> vasanth@grandmarkca.com <b>Firm registration number:</b> 011317N <b>Peer review number:</b> 012124	09/07/2023	Auditor appointment recommended by Board of Directors in Board Meeting held on July 09, 2023 to hold office till the conclusion of 4 <sup>th</sup> Annual General Meeting.
<b>P Mohan Rao &amp; Co.,</b> Chartered Accountants Flat No. 403, Yousufguda Road, Ameerpet, Hyderabad- 500016, Telangana, India <b>Telephone Number:</b> +91 9246156142 <b>Email:</b> <a href="mailto:pinninti_m@rediffmail.com">pinninti_m@rediffmail.com</a> <b>Firm Registration Number:</b> 009673S <b>Peer review number:</b> NA	30/06/2023	Resignation due to Pre-Occupation

**Capitalization of Reserves or Profits**

Except as disclosed under section titled '*Capital Structure*' beginning on page 66 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception of the company.

**Revaluation of Assets**

Our Company has not revalued its assets since inception of the Company.

**Other confirmations**

Any person connected with the Issue will 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, except for fees or commission for services rendered in relation to the Issue.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

As on the date of this Draft Prospectus, our Company has not been granted by SEBI, any exemption from complying with any provisions of securities laws.

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued and Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, the abridged prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and any other applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Further, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), has been notified and made effective on a voluntary basis for public issues opening on or after September 1, 2023, and on a mandatory basis for public issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II of the UPI Circular, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.*

*Further vide the said circular, Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned stock exchanges for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

## **THE ISSUE**

The Issue is through a fresh issue by our Company. Expenses for the Issue shall be borne by our Company in the manner specified in '**Objects of the Issue**' on page 82.

## **AUTHORITY FOR THE ISSUE SIZE**

This Issue has been authorized by a resolution of our Board of directors passed at their meeting held on December 15, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62 (1) (c) of the Companies Act, 2013 at the general meeting. The shareholders have authorized the issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra-Ordinary General Meeting of our Company held on January 10, 2024.

## **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled '**Description of Equity Shares and Terms of Articles of Association**' beginning on page 286 of this Draft Prospectus.

## **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividends will be as per the provisions of the Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection there to and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings and applicable taxes including dividend distribution tax payable by our Company. We shall pay dividends, in cash as per the provisions of the Companies Act and our Articles of Association. For further details in relation to dividends, please refer to sections titled, '**Dividend Policy**' and '**Description of Equity Shares and Terms of Articles of Association**' beginning on page 169 and 286 respectively, of this Draft Prospectus.

## **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is ₹10.00/- each and the Issue Price is ₹ [●] /- per Equity Share. The Issue Price will be determined by our Company in consultation with the Lead Manager and the justification for the price is set out in the chapter "**Basis of Issue Price**" beginning on page 95 of this Draft Prospectus.



## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive annual reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer 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 law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum of Association and Articles of Association of our Company

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled '*Description of Equity Shares and Terms of Articles of Association*' beginning on page 286 of this Draft Prospectus.

## **MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by EMERGE platform of NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

## **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, the First / Sole Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of Sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- a) To register himself or herself as the holder of the Equity Shares; or
- b) To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in this Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

## PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Dates
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Refunds (if any, for Anchor Investors)/ Unblocking of Funds from ASBA 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 [●]

*\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant will be compensated at a uniform rate of Rs.100 per day or 15% per annum of the application amount, whichever is higher, from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges platform up to the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant will be compensated at a uniform rate Rs.100 per day or 15% per annum of the total cumulative blocked amount, except the original application amount, whichever is higher from the date on which such multiple amounts were blocked up to the date of actual unblock; (iii) any blocking of amounts more than the application amount, the Applicant will be compensated at a uniform rate of Rs.100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked up to the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant will be compensated at a uniform rate of Rs.100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date, by the SCSB responsible for causing such delay in unblocking. The Lead Manager will be liable to compensate the Applicant at a uniform rate of Rs.100 per day or 15% per annum of the application amount, whichever is higher from the date of receipt of the Investor grievance up to the date on which the blocked amounts are unblocked. The Applicant will be compensated in the*

*manner specified in the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which for the avoidance of doubt, will be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

*The processing fees for applications made by a UPI Applicant for an amount of more than ₹2,00,000 and up to ₹5,00,000, using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.*

**The above timetable, other than the Issue Closing Date, is indicative and does not constitute any obligation on our Company or the Lead Manager.**

**In terms of the UPI Circulars, in relation to the Issue, the Lead Manager must, within six Working Days from the Application/ Issue Closing Date, submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

**Whilst our Company will ensure that all steps for completion of necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Issue Period by our Company in consultation with the Lead Manager, revision of the Price or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with applicable laws.**

**SEBI is in the process of streamlining and reducing the post offer timeline for IPOs. Any circular or notification from SEBI after the date of this Draft Prospectus may result in changes to the abovementioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect. Submission of Applications**

**Issue Period (except the Issue Closing Date):**

Submission and Revision in Applications - Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

**Issue Closing Date**

Submission and Revision in Applications - Only between 10.00 a.m. and 3.00 p.m. IST

On the Issue Closing Date, the Applications must be uploaded up to:

- i. 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Applicants; and
- ii. up to 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of

applications by Retail Individual Investors.

On the Issue Closing Date, the Stock Exchange will grant extension of time only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the Lead Manager to the Stock Exchange.

It is clarified that Applications not uploaded on the electronic application system or in respect of which the full application amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only during Working Days. None of our Company nor any member of the Syndicate will be liable for any failure in uploading the Applications due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

#### **MINIMUM SUBSCRIPTION AND UNDERWRITING**

In accordance with Regulation 260(1) of SEBI ICDR Regulations, this Issue is 100% underwritten and is, therefore, not restricted to any minimum subscription level.

Section 39 of the Companies Act states that if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of the Prospectus, the application amount must be returned within such period as may be prescribed.

If our Company does not receive subscription of 100% of the Issue through the Prospectus, including devolvement of Underwriter, our Company will forthwith unblock the entire subscription amount we receive. If there is a delay beyond 4 days after our Company becomes liable to pay the amount, our Company will pay interest as prescribed under Section 73 of the Companies Act and applicable laws.

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company will ensure that the minimum application size will not be less than ₹1,00,000 (Rupees one lakh) per application.

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

#### **MINIMUM NUMBER OF ALLOTTEE'S**

In accordance with Regulation 268(1) of the SEBI ICDR Regulations, the minimum number of allottees in this Issue must be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected will be refunded within four (4) Working Days of closure of the Issue. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares, in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker will buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE platform of NSE Limited.

## **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled '*Capital Structure*' beginning on page 66 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association.

For further details, please refer to section titled '*Description of Equity Shares and Terms of Articles of Association*' beginning on page 286 of this Draft Prospectus.

## **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

## **ALLOTMENT IN DEMATERIALIZED FORM**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must 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. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated December 7, 2023 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated November 24, 2023 between CDSL, our Company and Registrar to the Issue.

## **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Hyderabad, Telangana.

The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales 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.

## JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with benefits of survivorship.

## MIGRATION TO MAIN BOARD

Parameter	Migration policy from NSE SME Platform to NSE Main Board
Paid up Capital & Market Capitalization	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalization of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalization will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	<ul style="list-style-type: none"><li>• The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li><li>• The company has not received any winding up petition admitted by a NCLT.</li><li>• The net worth* of the company should be at least 50 crores</li></ul> *Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:	<ul style="list-style-type: none"><li>• The Company should have made disclosures for all material Litigation(s) /dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</li><li>• Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li><li>• Redressal mechanism of Investor grievance</li></ul>

	<ul style="list-style-type: none"> <li>• PAN and DIN no. of Director(s) of the Company</li> <li>• Change in Control of a Company/Utilization of funds raised from public</li> </ul>
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## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the EMERGE Platform of NSE (NSE EMERGE), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the EMERGE platform of NSE.

For further details of the agreement entered into between the company, the Lead Manager and the Market Maker please refer to the section titled '*General Information*' on page 57 of this Draft Prospectus.

## **APPLICATION BY ELIGIBLE NRI'S, FPI'S, VCF'S, AIF'S REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, 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-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of ICDR Regulations, whereby, an issuer whose post issue paid up capital is more than ₹10 Crore and less than ₹25 Crore, may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE EMERGE i.e. SME Platform of NSE”). For further details regarding the salient features and terms of such an issue, please refer to ‘*Terms of Issue*’ and ‘*Issue Procedure*’ on pages 244 and 257 respectively of this Draft Prospectus.

The Issue is of up to 34,24,000 Equity Shares of face value of ₹10 at an Issue Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per equity share), aggregating up to ₹ [●] lacs (the Issue) by the Company. The Issue comprises a reservation of [●] Equity Shares of ₹10 each for subscription by the Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of ₹10 each (the “Net Issue”). The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post-issue paid-up Equity Share capital of the Issuer Company.

The Issue is being made through a Fixed Price Issue.

Particulars	Market Maker Reservation Portion	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for Allotment or allocation</b>	Up to [●] Equity Shares	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue size available for Allotment or allocation</b>	[●] % of the Issue Size	[●] of the net issue will be available for allocation	At least [●] of the net issue will be available for allocation
<b>Basis of Allotment if respective category is oversubscribed</b>	Firm Allotment	Proportionate subject to minimum allotment of [●] Equity shares and further allotment in multiples of [●] Equity Shares each.  For further details please refer to “ <i>Basis of Allotment</i> ” under the chapter titled “ <i>Issue Procedure</i> ” beginning on page 259 of this draft prospectus	Proportionate subject to minimum allotment of [●] Equity shares.  For further details please refer to “ <i>Basis of Allotment</i> ” under the chapter titled “ <i>Issue Procedure</i> ” beginning on page 259 of this draft prospectus
<b>Mode of Application</b>	Through ASBA Process only	Through ASBA process through banks or by using UPI ID for payment, as applicable	Through ASBA process through banks or by using UPI ID for payment
<b>Minimum Application Size</b>	[●] Equity Shares	Such number of Equity Shares in multiple of [●] Equity Shares such that	Such number of Equity Shares in multiple of [●] Equity Shares such that



		the Application size must not be less than ₹2,00,000	the Application size does not exceed ₹2,00,000
<b>Maximum Application Size</b>	[•] Equity Shares	Such number of Equity Shares in multiple of [•] Equity Shares not exceeding the size of the issue, subject to limits as applicable to the Applicant	Such number of Equity Shares in multiple of [•] Equity Shares such that the Application size does not exceed ₹2,00,000 per applicant
<b>Mode of Allotment</b>	Compulsory in Dematerialized form		
<b>Trading Lot</b>	[•] Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the ICDR Regulations	[•] Equity Shares and in multiples thereof	[•] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Application amount will be blocked by the SCSB's in the bank account of the applicant including UPI ID in case of UPI Bidders, that is specified in the Application form at the time of submission of the Application Form.		
<b>Application Lot Size</b>	[•] Equity Shares and in multiples of [•] Equity Shares thereafter		

Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 (2) of the ICDR Regulations, shall be made as follows:

- a) Minimum 50.00% to Retail Individual Investors; and
- b) Remaining to:
  - (i) individual applicants other than Retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

**Explanation:** If the retail individual investor category is entitled to more than fifty percent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage. For further information on the Allocation of Net Issue to the Public, please refer to '**The Issue**' on page 50 of this Draft Prospectus.

In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI-linked account number held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.

Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares

in this Issue SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

In case of ASBA Applicants, the SCSB shall be authorized to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager to the Issue, reserves the right not to proceed with this Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager to the Issue, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering/Issue of Equity Shares, the Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, this Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

## **ISSUE PROGRAMME**

<b>Issue Opening Date</b>	:	[●]
<b>Issue Closing Date</b>	:	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by Lead Manager to NSE within half an hour of such closure.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays)

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.*

*Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.*

*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 Lead Manager do not accept*

*any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.*

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue 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 mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

***Phase I:*** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

***Phase II:*** This phase commenced on completion of Phase I and will continue till March 31, 2020. 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.

***Phase III:*** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the 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 Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official 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 allotment.**

### **Application Form**

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange - NSE Emerge, at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Color*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
<i>Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)</i>	[•]

*\*Excluding Electronic Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, a respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
3.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

4.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
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Retails investors submitting application with any of the entities at (2) to (4) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. 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 account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/



Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non SCSB bank or any Escrow Collection Bank.

### **Availability of Prospectus and Application Forms**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at Bidding Centres and at the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchanges, the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

### **Who can apply?**

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- 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: 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 on 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, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- 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 corporate or foreign individuals only under the Non Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) 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;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) 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;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

**MAXIMUM AND MINIMUM APPLICATION SIZE**

1. 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 Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [•] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation

in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Participation by Associates /Affiliates of LM**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### **Option to Subscribe in the Issue**

- a.* As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b.* The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c.* A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Applicants**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by

- Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.
  8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
  9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
  10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

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 Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, 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. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by eligible NRIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office. Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 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 repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, 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 Issue 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. 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons 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.

### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to 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 accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. 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.

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.

### **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 LLP 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.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, 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 Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below: (a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer; (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 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 thereof.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason thereof. 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 Systemically Important Non-Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking



Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. 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:

1. Each successful applicant shall be allotted [●] Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (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 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:

1. 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.
2. The balance net offer of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retails individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. 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 Rs. 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 Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped

and thereby acknowledged by the Designated Intermediaries at the time of receipt.

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of Rs. [●] /- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment Mechanism**

The applicants 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. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (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 have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. on the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the

Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or

completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Allocation of Equity shares**

1. The Issue is being made through the Fixed Price Process wherein [•] Equity Shares shall be reserved for Market Maker and [•] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
2. Under-subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

1. Our company has entered into an Underwriting Agreement dated [•].
2. A copy of Prospectus will be filed with the ROC in terms of Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to

facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within four working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of four working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;

- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended

#### **Grounds for Technical rejections**

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document”, Applicants are requested to note that Applications may be rejected on the following additional technical grounds.



- Applications submitted without instruction to the SCSBs to block the entire Application Amount;
- Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents have not been submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- DP ID and Client ID not mentioned in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications submitted on a plain paper;
- Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or 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>;
- Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
- Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 229 of this Draft Prospectus;
- Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- Application submitted without the signature of the First Applicant or sole Applicant;
- Applications by a person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular No. (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
- GIR number furnished instead of PAN;
- Application by Retail Individual Investors with Application Amount for a value of more than ₹200,000;
- Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- Applications by Applicants accompanied by cheques or demand drafts;
- Applications accompanied by stock invest, money order, postal order or cash;
- Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars. For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

## **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected. SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected. Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip. 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.

<p><b>Ms. Aanchal Sethia</b>  Innomet Advanced Materials Limited  B-31, Bhel Ancillary Industrial Estate  Ramachandrapuram, Medak, Hyderabad,  Telangana, India, 502032  <b>Email-</b> <a href="mailto:CS@innomet.net">CS@innomet.net</a>  <b>Contact No.</b> +91 04023021726</p>	<p><b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b>  <b>Registered Office Address:</b> A/506, Dattani Plaza,  Andheri Kurla Road, Safeed Pool, Andheri East,  Mumbai – 400 072, Maharashtra, India  <b>Contact Person:</b> Mr. Anuj Rana  <b>Contact No:</b> +91 22 2851 1022  <b>Email:</b> ipo@skylinerta.com  <b>Investor grievance e-mail:</b>  grievances@skylinerta.com  <b>Website:</b> www.skylinerta.com  <b>SEBI Registration No.:</b> INR000003241  <b>CIN:</b> U74899DL1995PTC071324</p>
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### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares. The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date. In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who— (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (Three) Working days of Issue Closing Date.
3. That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That our Promoters' contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
6. That if the 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 Issuer;
7. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
8. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
9. That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
10. Adequate arrangements shall be made to collect all Application Forms from the Applicants;
11. That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
12. That none of the promoter or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in the balance sheet of our company indicating the purpose for which such monies have been

- utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
  4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
  5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
  6. The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated December 7, 2023 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated November 24, 2023 between CDSL, our Company and Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE0S1D01010.

## **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 Foreign Exchange Management Act, 1999 ("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. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020- FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

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

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future 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 Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and/ or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap. Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

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 paidup 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.

#### **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 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 Regulation 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 unauthorised. 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 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.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations



## SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in these Articles of Associations were adopted pursuant to members resolution passed at the Extraordinary General Meeting held on September 18, 2023 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Associations of the Company.

### INTERPRETATION

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:
  - i. **“The Act”** means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.
  - ii. **“Articles”** means Articles of Association of the Company as originally framed or altered from time to time
  - iii. **“Beneficial Owner”** shall have the meaning assigned thereto by Section 2(1)(a) of the Depositories Act, 1996.
  - iv. **“Board” or “Board of Director”** means the Collective body of the Board of Directors of the Company.
  - v. **“Chairman”** means the Chairman of the Board of the Directors of the Company.
  - vi. **“The Company”** means Innomet Advanced Materials Limited
  - vii. **“Depositories Act, 1996”** shall mean Depositories Act, 1996 and include any Statutory modification or re- enactment thereof for the time being in force.
  - viii. **“Depository”** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
  - ix. **“Directors”** mean the Directors for the time being of the Company.
  - x. **“Dividend”** includes any interim dividend.
  - xi. **“Document”** means a document as defined in Section 2 (36) of the Companies Act, 2013.
  - xii. **“Equity Share Capital”**, with reference to any Company limited by shares, means all share capital which is not preference share capital;
  - xiii. **“KMP”** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
  - xiv. **“Managing Director”** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
  - xv. **“Month”** means Calendar month.
  - xvi. **“Office”** means the registered office for the time being of the Company.
  - xvii. **“Paid-up share capital”** or “share capital paid-up” means such aggregate amount of money credited as paid- up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company,

but does not include any other amount received in respect of such shares, by whatever name called;

- xviii. **“Postal Ballot”** means voting by post or through any electronic mode.
- xix. **“Proxy”** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
- xx. **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
- xxi. **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
- xxii. **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
- xxiii. **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
- xxiv. **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
- xxv. **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
- xxvi. **“Seal”** means the common seal of the Company.
- xxvii. **“Preference Share Capital”**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
  - a. payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
  - b. repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid- up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

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.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

## **Share Capital**

2. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including

Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.

3. 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

#### **Issue of Sweat Equity Shares**

4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

#### **Issue of Debentures**

5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

#### **Issue of Share Certificates**

6.
  - 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 fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided, —
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.
  - ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
  - iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

- iv. 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.
7. 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.
8. 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.
9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

#### **Power to pay Commission In connection with the Securities issued**

10.
  - 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.
  - 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.

#### **Variations of Shareholder's rights**

11.
  - 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.

12. 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.

### **Issue of Preference Shares**

13. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of Special 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.

### **Further Issue of shares**

14.
  - i. Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
    - a. to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
    - b. to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
    - c. to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
  - ii. The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
  - iii. Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

### **Lien**

15.
  - i. The Company shall have a first and paramount lien—
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

- b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:
- c. Every fully paid share 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

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

16. 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—

- 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.

17.

- 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.

18.

- 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.

### **Joint Holdings**

19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:

- a. The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.

- b. The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- c. On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- d. Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
- e. Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
- f.
  - i. Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.
  - ii. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
- g. The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

### **Calls on shares**

20.

- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

- 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.
- iii. A call may be revoked or postponed at the discretion of the Board.

21. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
23.
  - i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
  - ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
24.
  - i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture
  - iii. or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
25. The Board—
  - i. 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
  - ii. 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.
26. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.
27. The Board may at its discretion, extend the time fixed for the payment of any call-in respect of any one or more members as the Board may deem appropriate in any circumstances.
28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.



## Transfer of shares

29.

- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
- ii. Each share in the Company shall be distinguished by its appropriate number.
- iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

30.

- i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- 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.

31. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-

- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- ii. any transfer of shares on which the Company has a lien.
- iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

32. The Board shall decline to recognize any instrument of transfer unless—

- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- ii. 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 the instrument of transfer is in respect of only one class of shares.

Provided that, transfer of shares in whatever lot shall not be refused.

- iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
- iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's

letter , then the securities will be transferred;

- v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
33. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay
34. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

35. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

#### **Register of Transfers**

36. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

#### **Dematerialisation of Securities**

- 37.
- i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.
    - a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.
    - b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

- c. Securities in Depository to be in fungible form:-

- i. All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- ii. Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

d. Rights of Depositories & Beneficial Owners: -

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

- e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.
- ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.
- iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

## Transmission of shares

38.

- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39.

- 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—
  - a. to be registered himself as holder of the share; or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
- 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.

40.

- 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.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- 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.

41. 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:

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.

42. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.

### **Forfeiture of shares**

43. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
44. The notice aforesaid shall—
- i. 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
  - ii. 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.
45. 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.
- 46.
- 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.
- 47.
- 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.
- 48.
- 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 transfer of the shares in favor of the person to whom the share is sold or disposed off;
  - 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.

49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
52. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. 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.
54. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Initial payment not to preclude forfeiture**

55. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

#### **Alteration of capital**

56. 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.
57. Subject to the provisions of section 61, the Company may, by ordinary resolution, —
  - 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;

- iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- 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.

### **Conversion of Shares into Stock**

58. Where shares are converted into stock, —

- i. 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.

- ii. 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.
- iii. Such of the articles 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 “stockholder” respectively.

### **Reduction of Capital**

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —

- i. its share capital;
- ii. any capital redemption reserve account; or
- iii. Any share premium account.

### **Share Warrants**

60. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor. Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **Capitalisation of profits**

61.

- i. The Company in general meeting may, upon the recommendation of the Board, resolve—
  - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
  - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, 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);
  - d. 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;
  - e. The Board shall give effect to the resolution passed by the Company in pursuance of this -



regulation.

- iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.

62.

- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - b. generally to do all acts and things required to give effect thereto.
- ii. The Board shall have power—
  - 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 infractions; 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**

- 63. 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 Meeting**

- 64. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
  - i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

- iii. 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**

65.
  - 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. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
  - iii. In any other case, the quorum shall be decided as under:
    - a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
    - b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
66. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
67. 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.
68. 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.
69. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
70. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

### **Demand for poll**

71.
  - i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the

resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.

- ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

### **Time of taking poll**

72.

- i. A poll demanded on a question of adjournment shall be taken forthwith.
- ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman may direct.

### **Adjournment of meeting**

73.

- 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**

74. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

- i. on a show of hands, every member present in person shall have one vote; and
- ii. 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.

75. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

76.

- 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.
- ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

77. 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.
78. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
79. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
80. 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.
- 81.
- i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
82. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### **Casting Vote**

83. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

### **Representation of Body Corporate**

84. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

### **Circulation of member's resolution**

85. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

### **Resolution requiring special notice**

86. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

### **Resolutions passed at adjourned meeting**

87. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

### **Registration of resolutions and agreements**

88. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

### **Minutes of proceedings of general meeting and of Board and other meetings**

89.

- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
  - A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
  - B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
  - C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
  - D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
  - E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
  - F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

- a. the names of the Directors present at the meetings, and
  - b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
- iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
- a. is or could reasonably be regarded, as defamatory of any person
  - b. is irrelevant or immaterial to the proceedings; or
  - c. in detrimental to the interests of the Company.
- iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

**Minutes to be considered to be evidence**

90. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

**Publication of reports of proceeding of general meetings**

91. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

**Proxy**

92. 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.
93. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
94. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## Board of Directors

95. The number of directors shall not be less than two and not more than twelve unless and until otherwise determined by the company at a General meeting and the first directors of the Company shall be:

1. Lakshmi Kanthamma Chilakapati
2. Saritha Devi Chilakapati

96. The Directors need not hold any “Qualification Share(s)”.

97. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such wholetime directors.

98.

- i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—
  - a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - b. in connection with the business of the company.

99. The Board may pay all expenses incurred in getting up and registering the company.

100. 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.

101. 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.
102. 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.
103.
  - 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.

#### **Retirement and Rotation of Directors**

104. Not less than two-thirds of the total number of Directors of the Company, excluding the independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
105. The remaining Directors shall be appointed in accordance with the provisions of the Act.
106. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
107. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
108. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
109. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.



## **Nominee Director**

110. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
111. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
112. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
113. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

## Removal of Directors

114. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.
115. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
116. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
117. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-
  - a. in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
  - b. send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

118. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
119. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
120. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

121. Nothing in this section shall be taken-

- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
- b) as derogating from any power to remove a director under other provisions of this Act.

### **Remuneration and sitting fees to Directors including Managing and whole time Directors**

122. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
  - b. In connection with the business of the Company.
123. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

### **Powers and duties of Directors:**

#### **Certain powers to be exercised by the Board only at meeting**

124.

- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
  - a. The power to make calls on shareholders in respect of money unpaid on their shares;
  - b. The Power to authorize buy-back of securities under Section 68 of the Act.
  - c. Power to issue securities, including debenture, whether in or outside India
  - d. The power to borrow moneys
  - e. The power to invest the funds of the Company,
  - f. Power to Grant loans or give guarantee or provide security in respect of loans
  - g. Power to approve financial statements and the Board's Report
  - h. Power to diversify the business of the Company

- i. Power to approve amalgamation, merger or reconstruction
- j. Power to take over a Company or acquire a controlling or substantial stake in another Company
- k. Powers to make political contributions;
- l. Powers to appoint or remove key managerial personnel (KMP);
- m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
- n. Powers to appoint internal auditors and secretarial auditor;
- o. Powers to take note of the disclosure of director's interest and shareholding;
- p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid-up share capital and free reserves of the investee Company;
- q. Powers to invite or accept or renew public deposits and related matters;
- r. Powers to review or change the terms and conditions of public deposit;
- s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

- ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

### **Restriction on powers of Board**

125.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting:
  - a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;

- b) remit, or give time for the repayment of any debt, due by a Director;
- c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
- d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
- e) contribute to *bona fide* charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.

ii. Nothing contained in sub-clause (a) above shall affect:

- a. the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
- b. the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to affect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

126. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

### **General powers of the Company vested in Directors**

127. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate

any prior act of the Directors which would have been valid if such regulation had not been made.

### **Specific powers given to Directors**

128. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:

- i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;
- ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
- iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
- vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
- vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue

any policies of assurance effected in pursuance of this power;

- viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
- xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
- xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

- xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and wellbeing of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
- xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
- xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;



## **MANAGING DIRECTORS**

### **Power to appoint Managing or Whole-time Directors**

129.

- a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
- b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.
- c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

### **Proceedings of the Board**

130.

- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

131. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.

132.

- a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

133. 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.

134. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

135.

- a) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
- b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

#### **Delegation of Powers of Board to Committee**

136.

- a) 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.
- b) 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.

137.

- a) A committee may elect a Chairperson of its meetings.
- b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

138.

- a) A committee may meet and adjourn as it thinks fit.
- b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

139. 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.

140. 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**

141. Subject to the provisions of the Act,—

- a) 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;
- b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

142. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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**

143.

- a) The Board shall provide for the safe custody of the seal.
- b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two 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**

144. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

145. 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.

146.

- a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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.
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

147.

- a) 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.
- b) 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.
- c) 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.

148. 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.

149.

- a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

150. 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.

151. 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.

152. No dividend shall bear interest against the Company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

153. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a company

that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

154. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
155. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

### **Accounts**

- 156.
- a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

### **Inspection of Statutory Documents of the Company:**

#### 157. Minutes Books of General Meetings

- a) The books containing the minutes of the proceedings of any general meeting of the Company shall;
- i. be kept at the registered office of the Company, and
- ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness at least 15 days in advance.

- b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.
158. Register of charges:
- a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of

the Act.

- b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
  - i. by any member or creditor without any payment of fees; or
  - ii. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

### **Audit**

159.

- a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
- c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

### **Winding up**

160. Subject to the provisions of Chapter XX of the Act and rules made there under—

- 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.
- 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.
- 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 others securities whereon there is any liability.

## **Indemnity**

161. 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 Subject to the provisions of Chapter XX of the Act and rules made there under.

## **Secrecy**

162.

- (a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.
- (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of this Draft Prospectus which will be filed with the RoC. Copies of the contracts and the documents for inspection referred to hereunder may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Draft Prospectus until the Issue Closing Date. The copies of the contracts and the documents for inspection referred to hereunder have also been uploaded on the website of our Company at [www.innomet.net](http://www.innomet.net) and are available for inspection from the date of the Prospectus until the Issue Closing Date.

### **MATERIAL CONTRACTS FOR THE ISSUE**

- (1) Issue Agreement dated February 12, 2024, amongst our Company and the Lead Manager.
- (2) Registrar Agreement dated November 17, 2023, amongst our Company and the Registrar to the Offer.
- (3) Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
- (4) Underwriting Agreement dated [●] amongst our Company and the Underwriters.
- (5) Market Making Agreement dated [●] amongst our Company, the Lead Manager and the Market Maker.
- (6) Tripartite agreement dated December 7, 2023 amongst our Company, NSDL and the Registrar to the Offer.
- (7) Tripartite agreement dated November 24, 2023 amongst our Company, CDSL and the Registrar to the Offer.

### **MATERIAL DOCUMENTS**

- (1) Certified copies of updated MoA and AoA of our Company, amended from time to time.
- (2) Certificate of Incorporation dated April 24, 2019, issued to our Company, under the name 'Innomet Advanced Materials Private Limited' by the RoC.
- (3) Fresh Certificate of Incorporation dated November 9, 2023, issued by the RoC, consequent conversion from private company to public company to 'Innomet Advanced Materials Limited'
- (4) Resolution of the Board of Directors dated December 15, 2023, authorizing the Issue and other related matters.
- (5) Shareholders' resolution dated January 10, 2024 in relation to the Issue and other related matters.



- (6) Resolution of the Board of Directors dated February 15, 2024 approving the Draft Prospectus.
- (7) Copy of the Restated Financial Statement along with a Report from the peer review certified auditor M/s. G R A N D M A R K & Associates, Chartered Accountants for the financial period ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021 included in this Draft Prospectus.
- (8) Certificate on KPIs issued by our Statutory Auditors dated January 29, 2024.
- (9) Copy of the Statement of Tax Benefits dated January 28, 2024 from the Statutory Auditor.
- (10) Consent of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
- (11) Due diligence certificate dated [●] addressed to the Designated Stock Exchange from the Lead Manager.
- (12) Approval from NSE vide letter dated [●] to use the name of NSE in the Draft Prospectus / Prospectus for the listing of Equity Shares on the NSE Emerge (SME Platform) of the NSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the SEBI Act, 1992, Securities Contract (Regulation) Act, 1956 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements and disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS, CFO AND CS OF OUR COMPANY

Name	Designation	Signature
Vinay Choudary Chilakapati (DIN: 08444644)	Managing Director and Chief Executive Officer	Sd/-
Saritha Devi Chilakapati (DIN: 08432017)	Whole Time-Director and Chief Financial Officer	Sd/-
Lakshmi Kanthamma Chilakapati (DIN: 08432016)	Executive Director	Sd/-
Ramakrishna Rao Poda (DIN: 10294095)	Non-Executive Independent Director	Sd/-
Venkata Bhaskara Rao Chadalavada (DIN: 00931901)	Non-Executive Independent Director	Sd/-
Abhiram Kolli (DIN: 09567136)	Non-Executive Independent Director	Sd/-
Aanchal Sethia (PAN: GDGPS6620M)	Company Secretary & Compliance Officer	Sd/-

**Place:** Hyderabad

**Date:** February 15, 2024