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**DRAFT RED HERRING PROSPECTUS**  
Dated: January 09, 2025  
Please read Section 26 and 32 of the  
Companies Act, 2013  
(This Draft Red Herring Prospectus will be  
updated upon filing with the ROC)  
100% Book Built Issue

**PATIL AUTOMATION LIMITED**  
**CIN: U29299PN2015PLC155878**

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra – 412-109	<b>Niharika Shamindra Singhal</b> Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:info@patilautomation.com">info@patilautomation.com</a> <b>Tel No:</b> +91-9168338383	<b>Website:</b> <a href="http://www.patilautomation.com">www.patilautomation.com</a>

PROMOTERS OF THE COMPANY
Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil

DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE (IN ₹ LAKHS)	ELIGIBILITY
Fresh Issue	Upto 58,00,000 Equity Shares aggregating to ₹ [●]Lakhs	Nil	₹ [●]Lakhs	This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 94 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**

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 Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 27 of this Draft Red Herring Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

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

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 Elevate Your Potential <b>Seren Capital Private Limited</b>	Akun Goyal / Akshita Agarwal	<b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a> <b>Tel. No.:</b> +91- 22- 46011058

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>Purva Sharegistry (India) Private Limited</b>	Deepali Dhuri	<b>Email:</b> <a href="mailto:newissue@purvashare.com">newissue@purvashare.com</a> <b>Tel No.:</b> +91 022 4961 4132

**BID/ISSUE PERIOD**

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]*	BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON: [●]**

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.



## PATIL AUTOMATION LIMITED

CIN: U29299PN2015PLC155878

Our Company was originally incorporated as "Patil Automation Private Limited", a private limited Company under the provisions of the Companies Act, 2013, pursuant to a Certificate of Incorporation dated July 22, 2015 issued by the Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on September 05, 2024 and the name of our Company was changed from "Patil Automation Private Limited" to "Patil Automation Limited" vide fresh certificate of incorporation dated October 21, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U29299PN2015PLC155878.

**Registered Office:** Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109

**Contact Person:** Niharika Shamindra Singhal, Company Secretary & Compliance Officer

**Tel No:** +91-9168338383; **E-mail:** [info@patilautomation.com](mailto:info@patilautomation.com); **Website:** [www.patilautomation.com](http://www.patilautomation.com)

**Promoters of our Company:** Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil

## DETAILS OF THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 58,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF PATIL AUTOMATION LIMITED ("OUR COMPANY" OR "PAL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.58% AND [●]% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MARATHI EDITION OF [●]), A REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF PUNE WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, Equity Shares capital will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 265 of this Draft Red Herring Prospectus.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 94 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

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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 27 of this Draft Red Herring Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

## LISTING

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

## BOOK RUNNING LEAD MANAGER TO THE ISSUE

## REGISTRAR TO THE ISSUE

**SEREN CAPITAL**

Elevate Your Potential

**Purva Sharegistry**

**Seren Capital Private Limited**  
Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Maharashtra – 400059  
**Tel. No.:** +91-22-46011058  
**Email:** [info@serencapital.in](mailto:info@serencapital.in)  
**Investor Grievance Email:** [investor@serencapital.in](mailto:investor@serencapital.in)  
**Website:** <https://serencapital.in/>  
**Contact Person:** Akun Goyal/Akshita Agarwal  
**SEBI Regn. No.** INM000013156

**Purva Sharegistry (India) Private Limited**  
**Address:** 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East) Mumbai-400011, Maharashtra, India  
**Telephone:** +91 022 4961 4132  
**Email:** [newissue@purvashare.com](mailto:newissue@purvashare.com)  
**Investor Grievance Email:** [newissue@purvashare.com](mailto:newissue@purvashare.com)  
**Website:** [www.purvashare.com](http://www.purvashare.com)  
**Contact Person:** Deepali Dhuri  
**SEBI Registration Number:** INR000001112  
**CIN:** U67120MH1993PTC074079

## ISSUE PROGRAMME

**ANCHOR PORTION ISSUE OPENS/CLOSES ON:** [●]\*

**BID/ISSUE OPENS ON:** [●]

**BID/ISSUE CLOSES ON:** [●]\*\*

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, 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 Red Herring 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 Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 100, 174 and 296 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Terms</b>	<b>Description</b>
Patil Automation Limited /PAL /the Company/ Company/our Company/ the Issuer Company	Unless the context otherwise indicates or implies refers to Patil Automation Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 with its registered office at Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109.
“we”, “us” or “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

#### Company related terms

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	The articles of association of our Company, as amended
Audit Committee	Audit Committee of our Company as described in the chapter titled “ <b>Our Management</b> ” beginning on page 152 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s GMCS & Co., Chartered Accountants, (Firm Registration No. as 141236W).
Bankers to our Company	ICICI Bank Limited
Board of Directors/ the Board/ our Board	The board of directors of our Company, as constituted from time to time. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 152 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Prafulla Pandurang Patil
CIN	Corporate Identification Number
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Niharika Shamindra Singhal;
Depositories	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).
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b>Our Management</b> ” on page 152 of this Draft Red Herring Prospectus.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DP ID	Depository’s Participant’s Identity Number

<b>Term</b>	<b>Description</b>
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in section titled “ <b>Our Group Companies</b> ” on page 240.
Independent Chartered Accountant	The Independent Chartered Accountant appointed by our Company, namely, Ajmera & Ajmera, Chartered Accountants.
Independent Chartered Engineer	The Independent Chartered Engineer appointed by our Company being Karan Rajendra Mody, AKV Consulting LLP
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “ <b>Our Management</b> ” on page 152 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE17GV01016
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled “ <b>Our Management</b> ” on page 152 of this Draft Red Herring Prospectus.
MOA/ Memorandum of Association	Memorandum of Association of Patil Automation Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Manoj Pandurang Patil
Materiality Policy	The policy adopted by our Board on December 25, 2024 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “ <b>Our Management</b> ” beginning on page 152 of this Draft Red Herring Prospectus
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e. Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil. For further details, please refer to section titled “ <b>Our Promoter &amp; Promoter Group</b> ” beginning on page 169 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “ <b>Our Promoter and Promoter Group</b> ” beginning on page 169 of this Draft Red Herring Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109

<b>Term</b>	<b>Description</b>
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information/ Statements	The restated financial information of the Company comprising of the restated statement of assets and liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss and the restated statement of cash flows as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and the significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended
RoC/ Registrar of Companies	Unless specified otherwise refers to ROC Pune situated at Ministry of Corporate Affairs, PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411044, Maharashtra.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " <b>Our Management</b> " beginning on page 152 of this Draft Red Herring Prospectus.
Senior Management Personnel or SMP	Senior management personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "Our Management– Senior Management Personnel" on page 165
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited (NSE).
Shareholders	Shareholders of our Company from time to time.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Shekhar Sharad Kolte and Jaishree Shekhar Kolte.

### **Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the retail individual investors and other than retail individual investors, including corporate bodies or institutions.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Fresh Issue to successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.

<b>Terms</b>	<b>Description</b>
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI (ICDR) Regulations.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Applicant/ ASBA Investor	Any prospective investor(s)/applicant(s) in this Issue who apply (ies) through the ASBA process in terms of the Prospectus.
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue / Public Issue Bank/ Sponsor Bank	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 [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled “ <b>Issue Procedure</b> ” beginning on page 265 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.

<b>Terms</b>	<b>Description</b>
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidders /First Bidder/Applicant	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Seren Capital Private Limited, SEBI Registered Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
D&B	Dun & Bradstreet Information Services India Private Limited
D&B Report	Industry Research Report on Indian Automation Solutions Industry dated December 23, 2024, prepared by D&B, appointed by our Company on October 21, 2024, exclusively commissioned and paid for by our Company in connection with the Issue.



<b>Terms</b>	<b>Description</b>
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as applicable, in terms of the Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Issue.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	[●]
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and 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> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited ("SME Exchange") ("NSE Emerge")
DP ID	Depository's Participant's Identity Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated January 09, 2025 as being filed with NSE Emerge
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.

<b>Terms</b>	<b>Description</b>
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Fresh Issue	The fresh issue of up to 58,00,000 Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the Issue document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the Issue document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Manager.
Issue Agreement	The Issue Agreement dated December 18, 2024 between our Company and Book Running Lead Manager, Seren Capital Private Limited.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity share, as determined by our Company, in consultation with the BRLM.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 81 of this Draft Red Herring Prospectus
Issue / Public Issue / Issue size/ Initial Public Issue / Initial Public Offering/ IPO	The Initial Public Issue of upto 58,00,000 Equity shares of ₹ 10/- each at Issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs comprising the Fresh Issue.
Book Running Lead Manager/ BRLM	Book Running Lead Manager to the Issue, in this case being Seren Capital Private Limited, a SEBI Registered Merchant Banker.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LLP	Limited Liability Partnership
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

<b>Terms</b>	<b>Description</b>
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh issue excluding issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 81 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Project Report	Project Report dated January 07, 2025, obtained by our Company from M/s S.N. Rasane & Associates, Chartered Engineers & Government-Approved Valuers, in respect of the proposed manufacturing facility.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.

<b>Terms</b>	<b>Description</b>
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated December 26, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being, Purva Shareregistry (India) Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
SCPL	Seren Capital Private Limited
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended

<b>Terms</b>	<b>Description</b>
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI (PFUTP) Regulations/ PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <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.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SME Exchange	SME Platform of the NSE i.e. NSE Emerge.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Systemically Important Non- Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended

<b>Terms</b>	<b>Description</b>
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 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/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Issue in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### **Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
AutoCAD	Automatic Computer Aided Design
BIW	Body in White
CATIA V5	Computer Aided Three dimensional Interactive Application

<b>Term</b>	<b>Description</b>
CMM	Coordinate measuring machines
CNC	Computerized Numerical Control
CY	Calendar Year
DTPS	Desktop Programming and Simulation Software
ERP	Enterprise Resource Planning
EV	Electric Vehicle
HCU	Hybrid Control Unit
ISO	International Organization for Standardization
IoT	Internet of Things
MIDC	Maharashtra Industrial Development Corporation
MIG	Metal Inert Gas
OEM	Original Equipment Manufacturer
PLC	Programmable Logic Controller
PMRDA	Pune Metropolitan Region Development Authority
RFQ	Request for Quotation
SPM	Special Purpose Machine
TIG	Tungsten Inert Gas

### **Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
-, (₹)	Represent Outflow
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
Amt.	Amount
AOA	Articles of Association
Approx	Approximately
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
Bn	Billion
BRLM	Book Running Lead Manager
BSE	BSE Limited
C.P.C.	Code of Civil Procedure, 1908
CA	Chartered Accountant
CAGR	Compounded Annual Growth Rate
CAIIB	Certified Associate of Indian Institute of Bankers
CAN	Confirmation of Allocation Note
Calendar Year / year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CB	Controlling Branch
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CMD	Chairman and Managing Director

<b>Abbreviation</b>	<b>Full Form</b>
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
CrPC	Code of Criminal Procedure, 1973
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
EGM /EOGM	Extraordinary General Meeting
EMI	Equated Monthly Installment
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee's State Insurance Corporation
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FBT	Fringe Benefit Tax
FCNR Account	Foreign Currency Non-Resident Account
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Finance Act	Finance Act, 1994
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FTA	Foreign Trade Agreement
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FV	Face Value
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product



<b>Abbreviation</b>	<b>Full Form</b>
GIR Number	General Index Registry Number
GoI/Government	Government of India
GST	Goods and Services Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
IBC	The Insolvency and Bankruptcy Code, 2016
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
LLB	Bachelor of Law
LLP	Limited Liability Partnership
Ltd.	Limited
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
M. E	Master of Engineering
M. Tech	Masters of Technology
MAPIN	Market Participants and Investors Database
MAT	Minimum Alternate Tax
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Mn	Million
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NCT	National Capital Territory
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account

<b>Abbreviation</b>	<b>Full Form</b>
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
P.O.	Purchase Order
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLI	Postal Life Insurance
PLR	Prime Lending Rate
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
R&D	Research & Development
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rs./ Rupees/ INR/ ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCPL	Seren Capital Private Limited
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified syndicate Banks
Sec.	Section
SME	Small and Medium Enterprises
SMP	Senior Management Personnel
SPV	Special Purpose Vehicle
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
Trade Marks Act	Trade Marks Act, 1999
TRS	Transaction Registration Slip
U.N.	United Nations
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

<b>Abbreviation</b>	<b>Full Form</b>
UIN	Unique identification number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF/ Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WTD	Whole Time Director

### Key Performance Indicators terms

<b>Terms</b>	<b>Description</b>
Revenue from operation	Revenue from sales, service and other operating revenues
EBITDA	Profit before tax + Depreciation + Interest Expenses - Other Income
EBITDA Margin	EBITDA divided by Revenue from Operations
PAT	Profit before tax – Tax Expenses
PAT Margin	PAT for the period/year divided by revenue from operations
Return on Equity	Ratio of Profit after Tax and Average Shareholder Equity
Return on Capital Employed	EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings and short-term borrowings

For details, please refer to the section ***“Basis for Issue Price – Key Performance Indicators”*** on page 96 of the DRHP.

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

Notwithstanding the foregoing, terms in ***“Main Provisions of the Articles of Association”***, ***“Statement of Special Tax Benefits”***, ***“Industry Overview”***, ***“Regulations and Policies in India”***, ***“Financial Information of the Company”***, ***“Outstanding Litigations and Material Developments”*** and ***“Issue Procedure”***, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum 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. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial information prepared for the six months ended on September 30, 2024 and period ended on March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 174 of this Draft Red Herring Prospectus.

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the year ended on March 31, of that calendar year.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references in this Draft Red Herring Prospectus to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 174 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 296 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

## Use of Industry & Market Data

Unless otherwise indicated or unless the context requires otherwise, industry and market data used in this section have been derived from the industry report titled “Industry Research Report on Indian Automation Solutions Industry, dated December 23, 2024 (“D&B Report”), prepared and issued by Dun & Bradstreet Information Services India Private Limited exclusively for the purpose of this Issue, and commissioned and paid for by our Company. D&B has stated in its consent letter that all information contained in the Report has been obtained or derived from publicly available sources and interaction with industry participants, which they consider as reliable and after exercise of reasonable care and diligence by them. Although reasonable care has been taken to ensure that the information therein is true, such information is provided ‘as is’ without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment.

As such, a blanket, generic use of the derived results or the methodology is not encouraged. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that D&B assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions. For risks in relation to commissioned reports, see “Risk Factors – “Certain sections of this Draft Red Herring Prospectus disclose information from industry reports commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” on page 45 of this DRHP.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “Basis for Issue Price” on page 94 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

### **Disclaimer of Dun & Bradstreet:**

*This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet (“Dun & Bradstreet”) and its assumptions are based on varying levels of quantitative and qualitative analysis including industry journals, company reports and information in the public domain.*

*Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.*

*Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed.*

*The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not

guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM, or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation.

Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section 'Risk Factors' on page 27.

Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

### **Currency of Financial Presentation**

All references to "Rupees" or "INR" or "₹" or "₹" are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled "**Industry Overview**" throughout the Draft Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" on page 27, 126 and 223 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Draft Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Any change in government policies resulting in increases in taxes payable by us;
3. Our ability to retain our key managements persons and other employees;
4. Changes in laws and regulations that apply to the industries in which we operate.
5. Our failure to keep pace with rapid changes in technology;
6. Our ability to grow our business;
7. general economic, political and other risks that are out of our control;
8. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
9. Company’s ability to successfully implement its growth strategy and expansion plans;
10. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
11. inability to successfully obtain registrations in a timely manner or at all;
12. occurrence of Environmental Problems & Uninsured Losses;
13. conflicts of interest with affiliated companies, the promoter group and other related parties;
14. any adverse outcome in the legal proceedings in which we are involved;
15. Concentration of ownership among our Promoter;
16. The performance of the financial markets in India and globally;
17. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 27, 126 and 223 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS

### A. OVERVIEW OF BUSINESS

Incorporated in 2015, we are an automation solutions provider serving industrial clients, primarily in the automotive sector. We are engaged in designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling machineries and special-purpose machineries, tailored to meet the specific requirements of our clients' production facilities. Our client base primarily comprises of Automotive Original Equipment Manufacturers (OEMs), Tier I suppliers to Automotive OEMs and manufacturers of automotive components and sub-components, who seek to establish, expand, upgrade, modify or repair their production setup. Our automation solutions focus on optimizing manufacturing processes and reducing manual intervention at our clients' facilities.

### B. OVERVIEW OF THE INDUSTRY

The Indian industrial automation market experienced a steady growth from 2018 to 2023, driven by the increasing adoption of advanced technologies across manufacturing sectors. Starting at approximately USD 6.5 billion in 2018, the market grew to USD 13 billion in 2023, reflecting a CAGR of around 15%. The Indian Industrial automation solutions industry is expected to grow from USD 15.12 billion in 2024 to USD 29.43 billion by 2029, growing at a CAGR of 14.2% during the forecast period. (Source: D&B Report).

### C. PROMOTERS

Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil are the promoters of our Company.

### D. DETAILS OF THE ISSUE

This is an Initial Public Issue of upto 58,00,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs (“**The Issue**”), out of which [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be reserved for subscription by the market maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation Portion i.e., Issue of [●] Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the “**Net Issue**”.

### E. OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue to meet the following objects:

Sr. No.	Particulars	Amount (₹ in lakhs)
1.	Funding of capital expenditure towards setup of new manufacturing facility	6609.19
2.	Repayment of a portion of certain borrowings availed by our Company	1600.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### F. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,51,20,000 Equity shares of our Company aggregating to 94.38 % of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Red Herring Prospectus:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Manoj Pandurang Patil	1,21,48,500	75.83	1,21,48,500	[●]
2.	Aarti Manoj Patil	28,21,500	17.61	28,21,500	[●]
3.	Prafulla Pandurang Patil	30,000	0.19	30,000	[●]



Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Sub Total (A)</b>	<b>1,50,00,000</b>	<b>93.63</b>	<b>1,50,00,000</b>	[●]
	<b>Promoter Group (B)</b>				
4.	Piyusha Manoj Patil	30,000	0.19	30,000	[●]
5.	Vijay Pandurang Patil	30,000	0.19	30,000	[●]
6.	Sarita Prafulla Patil	30,000	0.19	30,000	[●]
7.	Sushila Pandurang Patil	30,000	0.19	30,000	[●]
	<b>Sub Total (B)</b>	<b>1,20,000</b>	<b>0.75</b>	<b>1,20,000</b>	[●]
	<b>Total</b>	<b>1,51,20,000</b>	<b>94.38</b>	<b>1,51,20,000</b>	[●]

## G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the six months period ended September 30, 2024 and financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	504.00	504.00	504.00	504.00
Total Equity	3,822.37	3,210.24	2,426.52	2,006.67
Total Income	6,048.64	11,871.51	8,235.46	9,709.33
Profit after tax	612.13	783.72	419.84	545.91
Earnings per Share <i>(based on weighted average number of shares)</i>	4.05	5.18	2.78	3.61
Net Asset Value per Share <i>(based on weighted average number of shares)</i>	25.28	21.23	16.05	13.27
Total Borrowings	1549.11	2312.91	3265.29	1524.53

## H. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

There are no audit qualifications which have not been given effect in the restated financial information.

## I. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters and Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Draft Red Herring Prospectus are as follows:

### Litigations involving the Company:

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	-	-
<b>Tax proceedings:</b>		
Direct Tax	1	Unascertainable
Indirect Tax	-	-
<b>Other pending material litigation filed by the company</b>	1	346.93
<b>Total</b>	<b>2</b>	<b>346.93</b>

### Litigations involving our Promoter & Directors:

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Tax proceedings:		
Direct Tax	2	3.80

<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>2</b>	<b>3.80</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 232 of this Draft Red Herring Prospectus

#### **J. RISK FACTORS**

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 27 of this Draft Red Herring Prospectus.

#### **K. SUMMARY OF CONTINGENT LIABILITIES**

Following is the summary of the Contingent Liabilities and Commitments of the Company:

(Rs. In lacs)

Particulars	For the 6 months period ended September '24	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
TDS	0.06	-	-	-

For further details, please refer to Annexure XXVIII Contingent Liabilities of the chapter titled “**Financial Information of the Company**” on page 174 of this Draft Red Herring Prospectus.

#### **L. 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 6 months period ended on September 30, 2024 and financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(i) Names of the related party and nature of relationship where control/significant influence exists

##### **Key management personnel (KMP) and their close members of family**

Name of related party	Nature of relationship
<b>Key Management Personnel &amp; Directors</b>	
Manoj Pandurang Patil	Managing Director
Aarti Manoj Patil	Director
Prafulla Pandurang Patil	Executive Director & CFO
Niharika Shamindra Singhal	Company Secretary

<b>Relative of Key Management Personnel &amp; Directors</b>	
Aayush Manoj Patil	Relative of Director
Piyusha Manoj Patil	Relative of Director
Vijay Pandurang Patil	Relative of Director
Shekhar Sharad Kolte	Relative of Director
<b>Entities in which KMP is interested</b>	
Evtric Motors Pvt Ltd	
Fine Automation Robotics Pvt Ltd	
Sap Enterprises	
A V Enterprises	
Shree Samarth Engineering Solutions	

**(ii) Details of transactions with related parties and balances****(₹ In Lakhs)**

Name	Relationship	Nature of transaction	Sept 2024		31 March 2024		31 March 2023		31 March 2022	
			Amount of transactions during the year	Balance as at 30th Sep 2024 Receivables/(Payables)	Amount of transactions during the year	Balance as at 31 March 2024 Receivables/(Payables)	Amount of transactions during the year	Balance as at 31 March 2023 Receivables/(Payables)	Amount of transactions during the year	Balance as at 31 March 2022 Receivables/(Payables)
Manoj Pandurang Patil	Director	Salary	59.82	-	95.29	-	95.29		95.29	-
		Factory Rent	109.15	-	207.90	-	198.00	-	198.00	-33.60
		Factory Advance	30.57	30.57	-	-	-	-	-	-
		Expenses Reimbursement	24.06	-0.28	51.15	51.57	-	-	1.18	0.17
Aarti Manoj Patil	Director	Salary	59.87		95.50	-	95.50		95.50	-
		Factory Rent	109.15	-	207.90	-	198.00	-0.01	198.00	-49.96
		Factory Advance	11.88	11.88	-	-	-	-	-	-
		Expenses Reimbursement	0.03	-	51.15	51.15	-	-	-	-
Prafulla Pandurang Patil	Director	Salary	13.17	-	26.33	-	26.33	-	26.33	-
		Expenses Reimbursement	8.50	-	0.79	0.00	-	-	0.95	9.04
		Advance Reimbursement	3.50	3.50	-	-	-	-	-	-
Vijay Pandurang Patil	Relative Director	Salary	14.55		28.50	-	25.20	-	24.73	-
		Expenses Reimbursement	0.99		0.96	-0.04	0.12	0.17	0.10	0.05
		Advance Reimbursement	0.44	0.44	-	-	-	-	-	-
Shekhar Sharad Kolte	Relative Director	Salary	-	-	-	-	-	-	28.31	-
		Remuneration Expenses	-	-	0.05	-	0.05	-0.05	-	-
Fine Automation Robotics India Pvt Ltd	Entities in which KMP is interested	Expenses Reimbursement	-	-	-	-	-	-	0.20	-
		Purchase					30.16	-		
Evtric Motors Pvt Ltd		Rent Received	-	-	-	-	264.00	15.00	128.00	0.00

	Entities in which KMP is interested	Expenses Reimbursement	-	-	7.49	-	17.26	-	28.64	-18.71
		Sales	-	-	-	-	383.02	238.30	105.49	-
		Purchase of Capital Goods			165.02	-	1.58	-		
		Loan Given	1,370.70	2.89	165.59	1,373.59	1,208.00	1,208.00		
		Deposit Repaid			15.00	-				
SAP Enterprises	Entities in which KMP is interested	Service Aailed	50.26	-	110.34	-13.42	215.13	-6.21	173.79	-37.10
		Advance Given	0.08	0.08						
AV Enterprises	Entities in which KMP is interested	Service Aailed	56.28	-2.89	195.68	-11.40	165.70	-29.45	181.36	-26.55
Shree Samarth Engineering Solutions	Entities in which KMP is interested	Service Aailed	70.05	-2.54	140.48	-18.70	131.60	-10.54	168.45	-48.14
Fine Automation	Entities in which KMP is interested	Deposit Repayment Received	-	-	-	-	100.00	-	-	100.00

#### **M. DETAILS OF FINANCING ARRANGEMENTS**

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

#### **N. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR**

<b>Sr. No.</b>	<b>Name of the Promoter</b>	<b>No. of Shares acquired in last one year*</b>	<b>Weighted Average Price (in ₹)</b>
1.	Manoj Pandurang Patil	80,99,000	0.00
2.	Aarti Manoj Patil	18,81,000	0.00
3.	Prafulla Pandurang Patil	20,000	0.00

#### **O. AVERAGE COST OF ACQUISITION OF SHARES**

The average cost of acquisition of Equity Shares by our Promoter is set forth in the table below:

<b>Sr. No.</b>	<b>Name of the Promoters</b>	<b>No. of Shares held</b>	<b>Average cost of Acquisition (in ₹)</b>
1.	Manoj Pandurang Patil	1,21,48,500	3.33
2.	Aarti Manoj Patil	28,21,500	3.51
3.	Prafulla Pandurang Patil	30,000	0.00

#### **P. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH**

Except for bonus issue of equity shares, our Company has not issued Equity Shares for consideration other than cash in the last one year.

#### **Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our company has not done any split/consolidation/ subdivision of equity shares of the Company since incorporation.

#### **R. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 174, 126 and 223 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

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

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

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled “Industry Research Report on Indian Automation Solutions Industry” dated December 23, 2024 (the “D&B Report”) prepared by Dun & Bradstreet Information Services India Private Limited and such report has been commissioned and paid for by our Company vide engagement letter dated October 24, 2024 exclusively in relation to the Issue. A copy of the D&B Report is available on the website of our Company at [www.patilautomation.com](http://www.patilautomation.com). Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

#### **Materiality**

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

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

#### **Note:**

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

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 27 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 223 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.*

## **INTERNAL RISK FACTORS**

***1. We depend significantly on the performance of automotive sector for sale of our automation solutions. Any adverse change in performance of automotive sector could adversely affect our business and profitability.***

We are an automation solutions provider serving industrial clients, primarily in the automotive sector. We are engaged in designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling machineries and special-purpose machineries, tailored to meet the specific requirements of our clients' production facilities. Our client base primarily comprises of Automotive Original Equipment Manufacturers (OEMs), Tier I suppliers to Automotive OEMs and manufacturers of automotive components and sub-components, who seek to establish, expand, upgrade, modify or repair their production setup. For details of our products, please refer to section "Our Business – our Product Offerings" on page 130 of this DRHP.

We are significantly dependent on the performance of the automotive sector in India for the sale of our automation solutions. Our revenue from automotive sector clients during Fiscal Years 2022, 2023 and 2024 and the half-year ended September 30, 2024, constituted 95.22%, 97.46%, 98.30%, and 99.10% of our revenue from operations, respectively. For details, please refer to section "Our Business - Industry-wise revenue bifurcation" on page 133 of this DRHP.

We are therefore exposed to fluctuations in the performance of the automotive markets in India. In the automobiles segment, production and sales of the vehicles are affected by, among other things, a variety of factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts favoring other types of vehicles, fuel prices, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in the automotive supply chain, vehicle age, labor relations, regulatory requirements, credit availability and cost of credit, interest rates and general economic and industry conditions. Any reduced demand in the automotive segment, deterioration in the automotive market, uncertainty, or changes in regulations, customs, taxes, or other restrictions affecting the automotive market, particularly in India, could adversely impact our business, operations and financial condition.

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

The substantial portion of our revenues has been dependent upon few customers. For instance, our top ten customers for the six months period ended September 30, 2024 and F.Y. ended March 31, 2024, March 31, 2023, March 31, 2022 accounted for 86.08%, 79.51%, 70.88% and 64.10% of our revenue from operations for the respective year/period. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, educations, delays or cancellation of orders from our significant customers, a failure to negotiate favorable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition results of operations, cash flows and future prospects of our Company.

The contribution of our top ten customers in our sales as a percentage of the revenue from operations during Fiscal 2024 are disclosed hereunder: -

<b>Sr. No.</b>	<b>Customer</b>	<b>Amount (Rs. in Lakhs)</b>	<b>% of Revenue</b>
1	Customer 1	3,360.46	29.15%
2	Customer 2	1,028.84	8.92%
3	Customer 3	996.31	8.64%
4	Customer 4	820.27	7.12%
5	Customer 5	673.00	5.84%
6	Customer 6	570.96	4.95%
7	Customer 7	556.94	4.83%
8	Customer 8	448.78	3.89%
9	Customer 9	374.40	3.25%
10	Customer 10	335.48	2.91%
<b>Total of Top 10 Customers</b>		<b>9,165.46</b>	<b>79.51%</b>
<b>Total Revenue from Operations</b>		<b>11527.96</b>	<b>100.00%</b>

We do not have firm commitment in the form of long-term supply agreements with our customers and instead rely on purchase orders and accordingly the success of our business is significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from

them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

**3. We derived a significant portion of our revenue from the sale of our key automation solution i.e. Welding Lines. Any decline in the sales of our key offering could have an adverse effect on our business, results of operations and financial condition.**

We generate a significant portion of our revenue from our key product i.e. Welding Lines which contributed to 70.23%, 74.23%, 77.45% and 77.84% of our revenue from operations for the half year ended Sept.'24 and Fiscal years 2024, 2023 and 2022. For details, please refer to section "Our Business - Product-wise revenue bifurcation" on page 132 of this DRHP. Any decline in the sales of Welding Lines on account of any reason including increased competition, pricing pressures or fluctuations in the demand for or supply of such products may adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to maintain the same levels of sales for Welding Lines in the future. Any inability on our end to anticipate and adapt to technological changes or evolving consumer preferences and/or any decrease in the demand for our key product may adversely impact our business prospects and financial performance.

The following table sets forth information on our product mix in terms of revenue contribution in the periods indicated:

(Rs. in lakhs)

S. No	Product categories	April'24 -Sept'24	%*	FY-2023-2024	%*	FY- 2022-2023	%*	FY- 2021-2022	%*
1	Welding lines <sup>(i)</sup>	4,098.17	70.23%	8,556.87	74.23%	6,026.11	77.45%	7,329.42	77.84%
2	Assembly Lines	1,305.20	22.37%	1,610.09	13.97%	511.53	6.57%	996.57	10.58%
3	Maintenance & Other Services	254.85	4.37%	462.83	4.01%	424.88	5.46%	355.58	3.78%
4	Miscellaneous <sup>(ii)</sup>	64.36	1.10%	10.87	0.09%	349.19	4.49%	343.74	3.65%
5	Special Purpose Machineries	62.80	1.08%	211.00	1.83%	388.37	4.99%	369.44	3.92%
6	Material Handling Machines	50.00	0.86%	676.30	5.87%	80.66	1.04%	21.55	0.23%
	<b>Grand Total</b>	<b>5835.38</b>	<b>100.00%</b>	<b>11527.96</b>	<b>100.00%</b>	<b>7780.75</b>	<b>100.00%</b>	<b>9416.29</b>	<b>100.00%</b>

<sup>(i)</sup> Revenue from welding lines includes revenue from welding lines as well as robotic welding cells and fixtures.

<sup>(ii)</sup> Miscellaneous category includes auto component parts, spare parts, scrap and other related items.

% is calculated on revenue from operations.

**4. Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.**



The production of our automation systems relies on raw materials and bought-out parts sourced from various suppliers. Major raw materials include MS steel plates, tubes (rectangular and square sections), C channels and I sections, which are procured through local suppliers. The bought-out parts, such as pneumatic cylinders, PLCs, HMIs, sensors, light curtains, conveyor chains, and gearbox motors, are sourced from various vendors located primarily in Maharashtra and Gujarat. Our cost of raw materials consumed for six months period ended September '24 and Fiscal 2024 was Rs. 2886.68 lakhs and Rs. 7690.27 lakhs respectively, which represented 49.47% and 66.71% of our revenue from operations for the respective period/fiscal.

We do not have any contracts with, or long-term arrangements for sourcing input materials from suppliers of input materials. The absence of long-term contracts makes us susceptible inter alia to short-term supply challenges and exposes us to volatility in the prices of input materials. During the period ended September 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 our purchase from top 10 suppliers were 1670.89 Lakhs, Rs. 3663.22 Lakhs, Rs. 2298.43 Lakhs and Rs. 2483.9 constituting 57.31%, 46.92%, 50.90% and 46.47% respectively of our total purchases. For details in relation to our raw materials, please refer to section "Our Business – Raw Materials" on page 137 of this DRHP.

**Our top 10 suppliers for fiscal 2024: -**

S. No	Name of Suppliers	Amt. (in Lakhs)	% of purchase
1	Supplier 1	754.02	9.66%
2	Supplier 2	602.24	7.71%
3	Supplier 3	425.06	5.44%
4	Supplier 4	408.23	5.23%
5	Supplier 5	385.72	4.94%
6	Supplier 6	258.48	3.31%
7	Supplier 7	241.36	3.09%
8	Supplier 8	209.09	2.68%
9	Supplier 9	189.79	2.43%
10	Supplier 10	189.23	2.42%
	<b>Total of top 10 Suppliers</b>	<b>3,663.21</b>	<b>46.92%</b>
	<b>Total Purchases</b>	<b>7,807.00</b>	<b>100.00%</b>

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

The prices of the raw materials can be influenced by various factors such as supply and demand dynamics, global market conditions, trade policies, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. In case of increase in raw material prices, there can be no assurance that we will be able to pass such cost increases to our customers. Any increase in the cost of inputs to our production could lead to higher costs for our products. If we increase the prices of our products to offset the impact of higher costs, this may cause certain of our customers to cancel orders or refrain from purchasing our products, which may materially and adversely reduce the demand for our products, and thus, negatively impact our operating results. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

- There are outstanding legal proceedings involving our Company, our Directors and our Promoters. Any adverse decisions could impact our cash flows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.***

There are outstanding legal proceedings involving our Company, our Directors and our Promoters. For details, see “**Outstanding Litigation and Material Developments**” beginning on page 232 of this Draft Red Herring Prospectus.

**Litigations involving the Company:**

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	-	-
<b>Tax proceedings:</b>		
Direct Tax	1	Unascertainable
Indirect Tax	-	-
Other pending material litigation against the Company	1	346.93
<b>Total</b>	<b>2</b>	<b>346.93</b>

**Litigations involving our Promoters & Directors:**

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Tax proceedings:		
<b>Direct Tax</b>	2	3.80
<b>Indirect Tax</b>	-	-
<b>Total</b>	<b>2</b>	<b>3.80</b>

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 232 of this Draft Red Herring Prospectus.*

Any adverse decisions in the above cases could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.

6. *We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims and other disputes and claims.*

All our automation solutions and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of orders and even lead to loss of customers. Our customers may reject our products, cancel their orders or choose our competitors over us if we fail to perform our contractual obligations or meet the quality or performance standards set out with our customers, which may in-turn harm our reputation. Failure by us to comply with applicable quality standards could also result in our products failing to perform as expected, or alleged to result in property damage if our products are defective or are used incorrectly by our customers. The occurrence of any such events could expose us to product warranty, product recall or product liability claims.

We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs. We may also become subject to legal proceedings and commercial or contractual disputes. Potential product recalls could cause disruption to our business and result in reputational harm and the costs and expenses associated with warranties, product recalls and product liability claims could adversely affect our results of operations and financial condition. If we incur significant liabilities for which there is no or insufficient insurance coverage our business, financial condition and results of operations could be adversely affected.

7. *We do not own the existing manufacturing facility & registered office and design and admin office from which we carry out our business activities. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.*

Our registered office and existing manufacturing facility (Unit-I and Unit-II), located at MIDC Chakan area of Village Sudumbre, Tehsil Maval, District Pune, is owned by our Promoters and Directors, namely, Manoj Pandurang Patil & Aarti

Manoj Patil, and has been obtained by us on lease for a period of 5 years from April 1, 2021. In addition, the design and admin office has been taken by us on rent from a third party. For details on the duration of existing rent/lease agreements for our premises, please refer to section “Our Business - Immovable Properties” on page 138 of this DRHP. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative premises.

There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations.

**8. *Setting up of a new manufacturing facility requires substantial capital outlay before we realize any benefits or returns on investments, and is subject to the risk of unanticipated delays.***

We currently manufacture automation systems at our facility (Unit-I and Unit II) located in the MIDC Chakan area of Village Sudumbre, Tehsil Maval, District Pune. To drive revenue growth, expand production capabilities and capitalize on emerging market opportunities, we plan to establish a new manufacturing facility at Village Sudumbre, Taluka Maval, Pune, Maharashtra. For further details, please refer to chapter titled “*Objects of the Issue - Funding of capital expenditure towards setup of new manufacturing facility*” on page 82 of this DRHP.

We expect our long-term capital requirements to increase significantly to fund our intended growth and we cannot assure that we shall efficiently be able to obtain sufficient capital resources for these expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected. Additionally, on account of such expansion, our finance cost, depreciation and other related expenses shall increase in the near future which can adversely impact our results of operations, cash flows and financial condition.

Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

The proposed expansion will require us to obtain various statutory approvals or amend existing statutory approvals, including change of land permission usage, consent to establish, consent to operate, factory license etc. For further details, please refer to section “*Objects of the Issue - Government approvals*” on page 87. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all, which in turn may materially and adversely affect our growth prospects, financial condition, results of operations and cash flows.

Our expansion plans and business growth could also strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect

our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans.

Our return on our investment depends upon, among other things, successful implementation of our strategy, competition, demand of our products, government policies, interest rates and general economic conditions. If our return on investment does not meet our or market expectations, this could materially and adversely affect our business, cash flows, results of operations and financial condition.

**9. Our Company had negative cash flows in the past, details of which are given below. Sustained negative cash flow could impact our growth and business.**

We have experienced negative cash flows in the past which have been set out below:

(Rs. In lakhs)				
Particulars	April'24-Sept'24	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from/ (used in) operating activities	-631.63	746.72	1.27	-102.69

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. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 174 and 223 respectively.

**10. Any disruptions or shutdown of our manufacturing operations at our existing facility could have an adverse effect on our business, financial condition and results of operations.**

We conduct our manufacturing operations from our facility (Unit-I and Unit-II) located at Chakan area of Village Sudumbre, Tehsil Maval, District Pune, Maharashtra. Our business is dependent upon our ability to effectively manage our facility, which is subject to various operating risks, including those beyond our control, such as the machinery breakdown, failure of equipment or industrial accidents, labour disputes, severe weather conditions, fire, power interruption, natural disasters etc. While there have been no such instances during the six-month ended September 30, 2024, Fiscals 2024, 2023 and 2022, any significant malfunction or breakdown of our machinery, our equipment, our production setup, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair or properly maintain manufacturing assets in a timely manner or at all, our operations may need to be suspended until we repair or replace them and there can be no assurance that the new manufacturing assets will be repaired, procured and/or integrated in a timely manner.

We also require substantial electricity for our facilities which is sourced from state electricity board. In case, the supply is not available for any reason, our production schedule may be hampered or if our electricity suppliers increase the price for electricity, our cost of production and profitability would be materially adversely affected. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. While there have been no significant electricity disruptions during the six month ended September 30, 2024, Fiscals 2024, 2023 and 2022, however, we cannot assure you that there will not be any electricity disruption in the future.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations at our manufacturing facility due to any of the factors mentioned above.

**11. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. As mentioned in the chapter titled “**Government and Other Approvals**”, we believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.



We’ve recently made an application dated December 06, 2024 with the Trademarks Registry for our logo which is pending for approval. For details regarding pending approvals, please refer to section titled “**Government and Other Approvals – Applications yet to be made**” beginning on page 239 of the Draft Red Herring Prospectus. Also, our Company will be required to make application for change in name in all the permits, licenses and approvals, which are under Company’s former name. There can be no assurance that the relevant authorities will issue the approvals or licenses in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that the approvals, licenses, registrations and permits already issued to us will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending to be obtained, see "Government and Other Approvals" on page 236 of this Draft Red Herring Prospectus.

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

Our Company is required to pay certain statutory dues including employee provident fund contributions and employee state insurance contributions under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees’ State Insurance Act, 1948, respectively, GST and Professional Taxes. In compliance with the provisions of the Income-tax Act, we are also required to deduct taxes at source at prescribed rates.

There have been certain instances of delays in payment of statutory dues in the past by our Company, which have been belatedly paid by us with an additional fee or an interest. The details of such delays are set out below:

**GST Returns Delay Filings:**

Financial Year	Month	Number of Days Delay
2021-22	May-2021	2 Days
	Aug-2021	1 Day

**EPF Returns:**

Financial Year	Month	Number of Days Delay
2021-22	May-2021	1 Day
	June-2021	1 Day
	Nov-2021	1 Day
2023-24	June-2023	2 Days
	Aug-2023	2 Days
2024-25	July-2024	1 Day

**ESI Returns:**

Financial Year	Month	Number of Days Delay
2021-22	Oct-2021	3 Days
	Nov-2021	2 Days
2022-23	Aug-2022	2 Days
2023-24	June-2023	2 Days
	Aug-2023	3 Days

While our Company has subsequently made payment of all pending dues, we cannot assure you that there will not be any delays in the future. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.

**13. *We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We have shortlisted vendors and obtained quotations from them, however, we are yet to place orders or enter into definitive agreements with the vendors in relation to such capital expenditure requirements.***

We intend to utilize up to ₹ 6609.19 lakhs out of the Net Proceeds for funding capital expenditure requirements for the proposed set up of our new facility at Gat No. 112 & 113, Village Sudumbre, Taluka Maval, Pune, Maharashtra. Out of ₹ 6609.19 lakhs earmarked for funding capital expenditure requirements for the proposed facility, our Company has estimated the cost of land as ₹ 1184.00 lakhs, civil construction cost as ₹ 2828.75 lakhs, plant and machinery as ₹ 2296.44 lakhs and kept contingency of ₹ 300.00 lakhs.

Our Company entered into a Memorandum of Understanding (MOU) dated November 28, 2024, with proposed sellers to acquire the project land at a price of Rs. 12 crores. As of the date of this DRHP, we have made a partial payment of Rs. 1 crore towards the acquisition using internal accruals. The MOU stipulates that we must execute a definitive sale deed with the proposed sellers by March 31, 2025. There is no guarantee that we will successfully acquire this land within the stipulated timeframe or at all. Potential delays in payment or the execution of definitive agreements may necessitate us to request an extension from the proposed sellers. If they decline our request, we may be compelled to seek alternative land for our proposed manufacturing facility. This could potentially impact the project's timeline and the deployment of Net Proceeds as outlined in the risk factor "Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval" on page 43 of this DRHP."

Similarly, in respect of factory building and plant and machineries, while we have obtained quotations from different vendors in relation to the aforesaid objects, we are yet to place orders for the same. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations. Accordingly, orders worth ₹ 4930.46 lakhs, which constitute 100% of the total estimated costs in relation to the estimated cost of building and plant & machinery is yet to be placed.

Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things unforeseen delays or cost overruns, unanticipated expenses, regulatory changes and technological changes. There may also be possibility that the proposed sellers of the plant, machinery and equipment's may not be in a position to provide the equipment/machineries or execute the civil building and construction work in a timely manner. In the event of any delay in placing the purchase orders for the balance requirement of plant and machinery, or an escalation in the cost of acquisition of the equipment or in the event the sellers are not able to provide the equipment and services in a timely manner, we may encounter time and cost overruns. For details, please refer to section "Objects of Issue - Funding of capital expenditure towards setup of new manufacturing facility" on page 82 of this DRHP.

**14. *Our failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our business.***

Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced automation solutions on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through technical assistance agreements or otherwise, that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our solutions will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

**15. *Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.***

We operate through our manufacturing facility comprising of Unit I and Unit II, at Village Sudumbre, Tehsil Maval, District Pune. Due to the geographical concentration of our manufacturing operations in Pune district, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and

circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel or senior management personnel, and/or otherwise adversely affect our business, financial condition and results of operations. While there have been no such regional disruptions during the six month ended September 30, 2024, Fiscals 2024, 2023 and 2022, however, we cannot assure you that there will not be any such disruption in the future.

In addition, we generate major domestic sales through our customers situated in Maharashtra and Tamil Nadu. For the year ended March 2024, the largest share of our revenue, accounting for 36.54% originated from Maharashtra, followed by Tamil Nadu at 33.95%. For details on geographical-wise revenue, please refer to section “Our Business – Our Business Strategies - Expand our domestic and international presence” on page 128 of this DRHP. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions, which may adversely affect our business prospects, financial conditions and results of operations.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**16. Trade receivables form a major part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

Trade receivables form a major part of our current assets and net worth. As on September 30, 2024, our trade receivables amounted to Rs. 2688.88 lakhs. We cannot assure that our Company will be able to effectively manage its trade receivables in future. Any such failure in management of trade receivables could result into bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due.

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

As of the date of this Draft Red Herring Prospectus, we operate from our manufacturing facility (Unit-I and Unit-II) located at Chakan area of Village Sudumbre, Tehsil Maval, District Pune, Maharashtra with an aggregate total installed capacity of 2304 units for welding lines (welding cells and fixtures) and assembly lines. Below are the details of the installed capacity and actual utilization:-

**Welding Lines (Welding cells & fixtures) and Assembly lines**

Particulars	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr.'-Sept.'24
Installed Capacity (in no.)*	2304	2304	2304	1152
Actual Production (in no.)	1,517	1,256	1,797	962
Capacity Utilization	65.84%	54.51%	77.99%	83.51%

As certified by Mr. Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP, through their report dated January 08, 2025.

*\*The installed capacity has been derived based on certain assumptions. For details, please refer to risk factor “Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.” on page 44 of this DRHP.*

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, product demand and procurement practice followed by our customers. In the event we face prolonged disruptions at our facility including due to interruptions in the supply of power

or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

**18. Our automation solution is customer specific and a solution designed cannot be used for multiple customers.**

We specialize in providing automation solution to our customers based on their custom and individual preferences. After receiving orders from customers, we dedicate our technically qualified team specially to design automation solution for the customers as per their requirements which are model-specific. A solution designed for a particular model for any customer cannot be used in other models of the same customer or any other customers. This nature of our business requires us to design specifically for each of our orders and we cannot generate repeated sales from one designed automation solution. This may possess operational risk to our business, as completion of any particular order is a lengthy process and requires substantial amount of working capital and human efforts. Our inability to manage them efficiently may possess serious risk to our business and can adversely impact our revenue from operations, profitability and goodwill.

**19. We are dependent upon the experience and skill of our Promoters, Key Managerial Personnel and Senior Management Personnel for conducting our business and undertaking our day to day operations. The loss of or our inability to retain, such persons could materially and adversely affect our business performance. In addition, excess rate of attrition amongst the personnel engaged by our Company may have an adverse impact on our business operations.**

Our business is dependent upon our Promoters, Key Managerial Personnel, and Senior Management Personnel, who oversee and supervise our day-to-day operations, strategy and growth of our business. For details pertaining to the profile of our Directors please refer to heading titled ‘Brief Biographies of our Directors’ in chapter ‘Our Management’ on page 153 of this Draft Red Herring Prospectus and for details pertaining to the Key Management Personnel and Senior Management Personnel of our Company and their respective functions, please refer to chapter ‘Our Management’ on page 165 of this Draft Red Herring Prospectus.

In the event, any of our Promoters or one or more members of our Key Managerial Personnel and Senior Management Personnel are unable or unwilling to continue in their present positions, it would be challenging for us to replace such person in a timely and cost-effective manner or at all. There can be no assurance that we will be able to retain or replace these personnel. The loss of any of such personnel or our inability to replace them may restrict our growth prospects, affect our ability to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

In addition, our attrition rate has been consistently high over the past few years, exceeding 30% in both FY22 and FY23. This elevated level of employee turnover can impact our productivity by increasing training costs and disrupting operational efficiency. Furthermore, replacing skilled personnel can be time-consuming and expensive, potentially hindering our ability to execute our business strategy effectively. These factors could ultimately have an adverse impact on our business, results of operations and overall financial condition.

The following table outlines the attrition rate of employees for the specified periods:

Particulars	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr.-Sept'24
Attrition rate*	29.94%	33.64%	34.02%	15.05%

\* Calculated as the number of employees who left during the period divided by the average of the opening and closing number of employees for the respective financial year/period.

**20. We operate in a competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.**

The automation industry in which we operate is competitive and fragmented, with numerous small and medium-sized domestic and international players. At the regional level, most competitors are smaller companies offering automation solutions for specific parts of the process. We aim to continue competing effectively to capture a larger market share and manage growth.

Further, some of our current and potential competitors include large entities that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, etc. Some of our significant competitors in the organized segment includes Wipro Pari,



Affordable Robotics and Automation Ltd, DiFACTO Robotics and Automation Pvt. Ltd., Faith Automation Systems & Tooling Pvt. Ltd. and Jendamark India Pvt. Ltd.

A number of our competitors are larger than we are, and some competitors have greater financial and other resources than we do and other economic advantages as compared to our business, such as patents, existing underutilized capacity, lower labor costs, lower health care costs, lower tax rates and, in some cases, export or raw materials subsidies. In the auto components segment, our customers may change their outsourcing strategy due to various reasons. Among other things, our competitors may:

- have presence, or expand their presence, in higher number of geographic markets than we are present in;
- reduce, or offer discounts on, their prices for similar products as ours; while we may respond by matching their prices, by offering comparable or more attractive commercial terms or by increasing our advertising and promotions in order to retain or attract customers, it may increase our costs and limit our ability to maintain our operating margins or growth rate;
- target the same products or applications as us or develop different products that compete with our current solutions;
- attract or retain a key managerial or senior personnel with relationships with a key customer or confidential information regarding our future product pipeline and growth plans;
- be able to source raw materials at more competitive prices;
- harness better process technology or improved process yield and respond more quickly and effectively than we do to new or changing opportunities, applications, technologies, standards, or customer requirements;
- benefit from a wider range of products and services and a broader customer base needed to bring competitive solutions to the market;
- possess greater economies of scale if they are larger than us and operating efficiencies such as higher production capacities; or
- possess greater financial resources than we do, and may be able to devote greater resources to pricing and promotional programs.

If any or a combination of the foregoing factors occur, we may not be able to maintain our growth rate and our revenues and operating margins may decline. We cannot assure you that we will continue to effectively compete with our competitors in the future, and our inability to compete effectively could affect our ability to retain our existing customers or attract new customers, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

***21. Our inability to effectively manage risks associated with international sales could significantly impact our overall profitability. These risks include potential losses in foreign markets, disruptions to operations and assets in those countries, and challenges arising from international trade complexities.***

Our revenue from exports for six months period ended Sept. '24, fiscal 2023 and 2022 was ₹ 52.99 lakhs, ₹ 37.29 lakhs and ₹ 677.20 lakhs respectively which constituted 0.91%, 0.48% and 7.75% of our revenue from operations for the respective fiscal/period. Although our revenue from exports had been minimal in recent period/years, our historical export revenue demonstrates exposure to the certain export related risks as outlined below:-

- demand for our products by our customers located outside India;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations and may also prevent us from production or delivery of our products to our customers;
- environmental, health, safety, labor and accounting laws change in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate;
- fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, such as export receivables, the relative prices at which we and our competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations. For instance, fluctuation of the Pound Sterling, Euro and U.S. Dollar would have an impact on the export revenues and profits of our operations;
- anti-competitive behavior, money laundering, bribery and corruption by third parties as well as crime and fraud; and

- inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations. In addition, we may not perform as expected in our international markets, because our competitors and the established players in these markets may have a more established presence and have more experience in operating in such market, which could allow them to have better relationships with distributors and consumers, gain early access to information regarding attractive sales opportunities and, in general, be better placed to launch products with other advantages of being a first mover.

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

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, rent, sales, purchase, remuneration, loans and advances etc. For details, please refer to Annexure XXXIII - Related Party Transactions” under Section titled “**Financial Information of the Company**” and Chapter titled “**Capital Structure**” beginning on page 208 and 67 respectively of this Draft Red Herring Prospectus.

While our Company trust that all such transactions have been conducted on an arm’s length basis and are accounted as per AS 18 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Our Company has entered into such transactions due to easy proximity and quick execution.


Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**23. *If we are not able to successfully manage our growth, our business and results of operations may be adversely affected.***

Continued growth of our business and customer base requires us to expand our product portfolio, strengthen our product quality, expand and enhance our sales channels, better manage our supply chain, upgrade our information systems and technologies and devote other resources to our business expansions, among others. As we continue to grow, managing our business will become more complicated as we develop a wider product mix, some of which we may have less experience in. In addition, as we increase our product offerings, we will need to work with a larger number of clientele s and maintain and expand mutually beneficial relationships with our existing and new clientele. Our inability to manage the expansion of our products range, customer base 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. For details in respect of our business strategies, please refer to section “Business – Strategies” on page 128 of this DRHP.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. Our failure to manage our anticipated growth effectively could reduce our ability to execute our business strategies, recruit and retain personnel, innovate, and manage costs all of which could adversely affect our business, results of operations, cash flows and financial condition.

**24. *Our Company is in use of trademark, which is not registered under the Trademarks Act, 1999 as on date of Draft Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.***

Our Company has applied for registration of trademark and logo  under class 7 with the Registrar of Trademarks. Thus, as such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims

and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details on above and other trademarks, please refer to chapter titled “Our Business – Intellectual properties” beginning on page 138 of this Draft Red Herring Prospectus.

**25. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.**

Our business operation requires significant working capital specifically for raw materials, work in progress and finished goods to undertake manufacturing operations. The working capital requirements of our Company is as under:-

Particulars	(Rs. in lakhs)			
	Six months period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current Assets (excluding cash and cash equivalents)	4,935.37	5,520.98	4,314.82	3,063.58
Current Liabilities (excluding short term borrowings)	2,731.82	3,477.59	3,673.57	3,108.92
Working Capital	2,203.55	2,043.39	641.25	-45.34

Our growing scale and expansion may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. However, we intend to utilize net proceeds to an extent of Rs. 1600 lakhs towards repayment of borrowings, which is going to strengthen our debt equity ratio. For further details regarding repayment of borrowings, please refer to the section “*Objects of the Issue – Repayment of borrowings*” on page 88 of this Draft Red Herring Prospectus.

**26. Changes in technology may render our current technologies obsolete or require us to make substantial investments.**

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the development of automation solutions, we may be required to implement new technology or upgrade the machineries and other equipment ‘s employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

**27. Adverse publicity regarding our products could negatively impact us.**

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements. However, there has not been any such instance of adverse publicity during the half year ended Sept.’24, Fiscal 2024, 2023 and 2022, we cannot assure that such adverse publicity will not occur in the future.

**28. Our Promoters or directors do not possess experience in managing publicly listed companies.**

None of our existing Promoters or Directors has an experience of managing a listed Company. While they bring significant expertise in private company operations, the unique requirements and regulatory obligations of managing a listed entity, such as shareholder relations, market disclosures and compliance with stock exchange norms, may pose challenges. This lack of prior exposure could impact our company’s ability to effectively meet these demands, potentially affecting investor confidence and may attract notices, fines or penalties from regulatory authorities which may divert the Management’s attention and may have an adverse impact on the financial performance of the Company.

**29. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price.**

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost

of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “*Risk Factors*” and “*Capital Structure*” beginning on pages 27 and 67 respectively of this DRHP.

**30. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled / unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past, however there can be no assurance that we will not experience any such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**31. *Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, insurance policy of Commercial Package and Burglary, Marine Open Inland Policy, Employees Compensation, Group Personal Accident, Group Mediciam insurance and Vehicle Insurance. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as machinery breakdown or risk in respect of assets located at Admin & Design Office. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Our Company has not filed any insurance claim for six-month period ending September 30, 2024, Fiscals 2024, 2023 and 2022.

**32. *The Promoters (including Promoter Group) and Directors hold almost 100% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoter and Promoter Group*” and “*Annexure XXXIII - Related Party Transactions*”, beginning on pages 126, 169 and 208 respectively of this Draft Red Herring Prospectus.

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

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on September 30, 2024, our total outstanding indebtedness was ₹ 1549.11 lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

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

The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 221 of this Draft Red Herring Prospectus.

***34. Loans availed by our Company has been secured on personal guarantees of our Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Promoters.***

Our Promoters, Manoj Pandurang Patil and Prafulla Pandurang Patil has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 221 of this Draft Red Herring Prospectus.

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

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory part/components loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the recent past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected. While we have not experienced any such instance in the recent past, there can be no assurance that we will not experience any such adverse event in future.

***37. Our Company engages contract labour at its Sudumbre, Tal- Maval Facility and we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Sudumbre, Maval facility for the performance of tasks such as Assembly, Automation & Controls, Fabrication & Production and Mechanical Design & Simulation. As of September 30, 2024, we had a total of 288 contractual employees

in our Company. Although we do not engage these laborers directly, we are responsible for any wage and statutory payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. Although as on date of this Draft Red Herring Prospectus, our Company is not involved in any legal proceedings, neither any penalty or regulatory action has been imposed or taken against our Company, neither there have been any instances of default on behalf of the Company towards payment of expenditure for contract labour activities, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

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

The proposed fund requirement for capital expenditure and repayment of borrowings, as detailed in the section titled "**Objects of the Issue**" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the section "**Objects of the Issue- Details of Utilization of Net Proceeds**" beginning on page 82 of this Draft Red Herring Prospectus.

**39. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see "**Statement of Financial Indebtedness**" on page 221 of the Draft Red Herring Prospectus.

**40. *The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled "Objects of the Issue". The fund requirement and deployment, as mentioned in the "**Objects of the Issue**" on page 81 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**41. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use Net Proceeds from the Issue towards (a) setting up of new manufacturing facility; (b) repayment of portion of certain borrowings availed by our Company and (c) general corporate purposes. For further details of the proposed objects of the Issue, see "Objects of the Issue - Details of Utilization of Net Proceeds" on page 82. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval by way of a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**42. Our Group Companies have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.**

The details of profit and loss of our Group Companies in past years are as follows:

Name of the Group Company	Profit/ (Loss) for the year ended (Amount in Lakhs)		
	31st March 2024	31st March 2023	31st March 2022
Fine Automation Robotics India Private Limited	8.03	(37.34)	(13.95)
Evtric Motors Private Limited	11.56	(572.45)	151.79

Further, our Group Company, Fine Automation Robotics India Private Limited has a negative net worth of Rs 261.82 Lakhs as on March 31st 2024. Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse effect on our operations and financials. For more information, regarding the Company, please refer chapter titled "Our Group Companies" beginning on page 240 of this DRHP.

**43. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to nature of products to be manufactured and assumptions relating to operational efficiencies. As per the Chartered Engineer report dated January 08, 2025, due to the highly customizable nature of Company's automation products, each project is unique in terms of design, complexity and production time. While determining the capacity, assumption of producing a standard welding line and assembly line has been taken, since these are the major drivers of revenue of the Company.

Thus, actual utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facility. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facility included in this Draft Red Herring Prospectus. For further information, see the section titled "Our Business - Installed Capacity & Capacity Utilisation" on page 136 of this Draft Red Herring Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section "Dividend Policy" on page 173 of the Draft Red Herring Prospectus.

**45. A portion of the Net Proceeds will be utilized for repayment or prepayment of certain loan facilities availed by our Company.**

We propose to repay or pre-pay certain loan facilities availed by our Company from ICICI Bank from the Net Proceeds. For details see “**Objects of the Issue - Repayment of a portion of certain borrowings availed by our Company**” on page 88. While a voluntary prepayment or scheduled re-payment of a portion of certain outstanding loan facilities will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favorable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion, the repayment/ pre-payment will not result in the creation of any tangible assets for our Company.

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

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “**Basis for Issue Price**” beginning on page 94 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

**47. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.**

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

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

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

**49. Certain sections of this Draft Red Herring Prospectus disclose information from industry report commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**

This Draft Red Herring Prospectus includes industry-related information that is derived from the industry report titled “Industry Research Report on Indian Automation Solutions Industry” issued on December 23, 2024 (“D&B Report”), prepared and issued by Dun & Bradstreet Information Services India Private Limited, appointed by our Company exclusively for the purpose of the Issue. We commissioned and paid for this report for the purpose of confirming our understanding of the industry exclusively for the purpose of the Issue. The D&B Report shall be available on the website of our Company at [www.patilautomation.com](http://www.patilautomation.com) compliance with applicable laws. Our Company, our Promoters, and our directors are not related to Dun & Bradstreet Information Services India Private Limited in any manner whatsoever.

Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Industry sources and publications generally state



that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM, or any of their respective affiliates. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section 'Risk Factors' on page 27.

Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

### **EXTERNAL RISK FACTORS**

#### ***50. A slowdown in economic growth in India could have a negative impact on cause our business, results of operations and financial conditions to suffer.***

The economy and securities markets in India are influenced by economic developments and volatility in securities markets in other nations across the globe. Investors' responses to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative developments in the economy, such as increase in trade deficits, decline in India's foreign exchange reserves or a default on national debt, in other emerging countries may also affect investor confidence and cause increase in volatility in Indian securities markets and affect the Indian economy in general. Any financial instability across the globe may also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and may adversely affect our business, financial performance and the price of our Equity Shares. Any other global economic developments or the probability of their occurrence may continue to have an adverse effect on global economic conditions and the stability of financial markets across the globe and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could decrease economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, cash flows, future financial performance, shareholders' equity and the price of our Equity Shares.

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

The outbreak, of any severe communicable disease, as seen in the recent outbreak and aftermath of COVID-19, could materially and adversely affect business sentiment and environment across industries. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and lockdowns. These measures have impacted and may further impact our workforce and operations and also the operations of our clients. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. During the lockdown period in response to the COVID-19 pandemic, our Company had certain interim measures in place to ensure business and operational continuity. Our employees worked remotely. However, certain of our operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could impact our business in the event of a disaster of any nature. Although we continue to devote resources and management focus, there can be no assurance that these programs will operate effectively.

#### ***52. Natural disasters, acts of war, terrorist attacks and other events could materially and adversely affect our business and profitability.***

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability,

which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our Devarapalli Facility. Such closures may disrupt our business operations and adversely affect our results of operations. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our clients.

Moreover, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares.

Developments in the ongoing conflict between Russia and Ukraine, between Israel and Hamas, Hezbollah and Iran and between Houthi rebels and certain western countries, have resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition may be adversely affected.

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

Any future equity issuance by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

***54. Financial instability in other countries may cause increased volatility in Indian and other financial markets.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in South - East Asian countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, 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 global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in South East Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through the book building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we

operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**56. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.***

Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial condition, results of operations and cash flows.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in and currently functioning only in India and, as a result, are dependent on prevailing economic conditions in India. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- ongoing conflict between Russia and Ukraine, between Israel and Hamas, Hezbollah and Iran and between Houthi rebels and certain western countries
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- any downgrading of India's debt rating by a domestic or international rating agency;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs,
- increased regulations or capital investment requirements; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

While our results of operations may not necessarily track India's economic growth figures, the Indian economy's performance nonetheless affects the environment in which we operate. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition and results of operations, and the price of the Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and future prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Adverse modifications to, or changes in interpretations of, existing policies, laws, rules or regulations, or the introduction of new statutes, rules or regulations (including those related to foreign investment and stamp duty) that govern our business activities could lead to our operations being considered as non-compliant or adversely affect our business, prospects and operating results. For example, regulatory authorities in India and abroad may introduce new rules or policies, or pass new legislations that impact EVs or the broader automotive sector. Such circumstances could result in additional compliance obligations, necessitating us to secure further approvals and licences from relevant government and

regulatory agencies, who may impose stringent conditions. It could also cause uncertainty in our business practices, potentially disrupting our operations. Adapting to such changes could result in higher costs and additional demands on our management and resources. Any lapses in compliance could negatively impact our business operations, financial performance, cash flow, and growth prospects.

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

Further, pursuant to the Finance (No.2) Act of 2024, notified on August 16, 2024, the Government of India has introduced new income tax slabs, an increase in standard deduction and an increase in the deduction available in respect of private sector employer’s contribution to National Pension Scheme from 10% to 14% of the salary of the concerned employees. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

***58. Increase in Indian inflation may lead to increased costs and a decline in profits.***

We may experience inflation volatility in India and continue to face historically persistent high inflation rates. Escalating inflation may increase interest rates and operational costs, including transportation, salaries, and other business-related expenses, negatively impacting our financial health. Inflationary pressures could also complicate cost estimation and management. Should operating expenses rise due to inflation, our inability to fully transfer these costs to customers could adversely affect our profitability and financial standing. Moreover, inflation-induced interest rate rises could slow economic growth and credit expansion, further straining our financial performance. Our future success depends on our ability to increase revenue to counterbalance inflation-related cost hikes, failing which our business prospects, financial condition, operational results, and cash flow could suffer. Although the Government of India has implemented measures to mitigate inflation, there can be no assurance that these measures remain effective.

***59. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets have experienced significant volatility from time to time. The regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States, Europe and certain economies in Asia. Instability in the global financial markets has negatively affected the Indian economy in the past and may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector and business in the future. For instance, recent concerns relating to the United States and China trade tensions have led to increased volatility in the global capital markets. In addition, the United States, the United Kingdom and Europe are some of India’s major trading partners, and there are rising concerns of a possible slowdown in these economies.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to improve the stability of the global financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts is uncertain, and they may not have had the intended stabilising effects. Adverse economic developments overseas in countries where we have operations or other significant financial disruptions could have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue</b> (1) (2)	Issue of up to 58,00,000* Equity Shares of ₹ 10 each fully paid-up of our Company.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs.
<b>Out of which*</b>	
QIB Portion <sup>(4)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of Which</b>	
Anchor Investor	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Of Which</b>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,60,20,000 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	Upto [●] Equity Shares of face value ₹ 10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 81 of this Draft Red Herring Prospectus.

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

Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the Post – Issue paid up equity share capital of our company are being offered to the public for subscription.
- (2) The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on December 11, 2024 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on December 12, 2024.
- (3) The SEBI (ICDR) Regulations permit the Issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- (4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

Our Company, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above

the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled ***“Issue Procedure”*** beginning on....

**SUMMARY OF OUR FINANCIAL STATEMENTS**

**ANNEXURE – I  
STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

*(₹ In Lakhs)*

Particulars	Annexure No.	As at September 30, 2024	As at March 31,		
			2024	2023	2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	V	504.00	504.00	504.00	504.00
(b) Reserves and Surplus	VI	3,318.37	2,706.24	1,922.52	1,502.67
<b>(2) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	VII	31.63	45.43	8.17	-
(b) Other Long -Term Liabilities	IX	112.43	150.88	15.00	15.00
(c) Long Term Provision	X	30.86	25.42	23.68	25.21
<b>(4) Current Liabilities</b>					
(a) Short Term Borrowing	XI	1,517.48	2,267.47	3,257.13	1,524.53
(b) Trade Payables					
(i) Due to Micro and Small Enterprises	XII	494.98	350.95	1,054.20	169.17
(ii) Due to Others than Micro and Small Enterprises	XII	627.91	448.05	502.46	1,550.50
(c) Other Current Liabilities	XIII	1,523.02	2,525.74	2,112.82	1,324.62
(d) Short Term Provisions	XIV	85.92	152.84	4.09	64.63
<b>Total Equity and Liabilities</b>		<b>8,246.58</b>	<b>9,177.04</b>	<b>9,404.05</b>	<b>6,680.33</b>
<b>II.ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	XV	1,485.18	1,591.68	1,391.11	1,389.88
(ii) Intangible Assets		46.69	48.74	17.64	30.43
(iii) Capital work in Progress		-	51.15	-	-
(b) Non-Current Investment	XVI	10.80	10.80	10.00	10.01
(c) Deferred Tax Assets (Net)	VIII	43.35	51.60	51.25	52.67
(d) Long Term Loans and Advances	XVII	35.00	35.00	35.00	35.00
(e) Other Non-Current Assets	XVIII	1,200.70	138.35	1,116.32	1,439.71
<b>(2) Current Assets</b>					
(a) Current Investments		-	-	-	-
(b) Inventories	XIX	2,061.96	2,194.00	912.69	687.10
(c) Trade Receivables	XX	2,688.88	1,795.44	1,853.85	2,082.33
(d) Cash and Bank Balances	XXI	489.49	1,728.74	2,467.91	659.05
(e) Short Term Loans and Advances	XXII	120.12	1,505.57	1,288.15	158.19
(f) Other Current Assets	XXIII	64.42	25.98	260.13	135.97
<b>Total</b>		<b>8,246.58</b>	<b>9,177.04</b>	<b>9,404.05</b>	<b>6,680.33</b>

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

*(Rs. in Lakhs)*

Sr. No.	Particulars	Annexure No.	For the period ended September 30, 2024	For the year ended March 31,		
				2024	2023	2022
<b>A</b>	<b>Income:</b>					
	Revenue From Operations	XXIV	5,835.38	11,527.96	7,780.75	9,416.29
	Other Income	XXV	213.26	343.56	454.72	293.04
	<b>Total Income</b>		<b>6,048.64</b>	<b>11,871.51</b>	<b>8,235.46</b>	<b>9,709.33</b>
	<b>Expenses:</b>					
<b>B</b>	Cost of Material Consumed	XXVI	2,886.68	7,690.27	4,503.41	5,356.23
	Changes in inventories of work in progress	XXVII	160.83	-1,164.57	-140.06	159.00
	Employee Benefit Expenses	XXVIII	822.84	1,402.12	1,214.22	1,188.01
	Finance Cost	XXIX	84.37	238.34	183.42	146.03
	Depreciation and Amortization Expenses	XXX	130.54	233.82	196.12	227.07
	Other Expenses	XXXI	1,135.60	2,349.53	1,732.25	1,910.32
	<b>Total Expenses</b>		<b>5,220.85</b>	<b>10,749.52</b>	<b>7,689.36</b>	<b>8,986.66</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>		<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
	Less: Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>		<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
	Extra ordinary items		-	-	-	-
<b>D</b>	<b>Profit before tax</b>		<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
	<b>Tax expense:</b>					
	Current tax Provision		207.42	338.62	124.84	182.46
	Deferred Tax		8.25	-0.35	1.42	-5.70
	<b>Profit/(Loss) for the period After Tax- PAT</b>		<b>612.13</b>	<b>783.72</b>	<b>419.84</b>	<b>545.91</b>
	No. of Shares (in lakhs)		151.20	151.20	151.20	151.20
<b>E</b>	<b>Earning per Equity Share: Basic/Diluted</b>					
	(1) Basic		4.05	5.18	2.78	3.61
	(2) Diluted		4.05	5.18	2.78	3.61



**ANNEXURE – III**  
**RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Cash Flow from Operating Activities:</b>				
Net Profit before tax as per Profit and Loss A/c	827.79	1,122.00	546.11	722.67
<b>Adjustments for:</b>				
Gratuity	7.69	9.20	3.29	9.33
Depreciation & Amortization Expense	130.54	233.82	196.12	227.07
(Profit)/Loss on Sales Property, Plant and Equipment's	-55.49	-6.68	-	-0.06
Rent Received	-109.86	-68.73	-270.22	-132.28
Interest Income	-46.03	-146.88	-164.58	-135.80
Finance Cost	84.37	238.34	183.42	146.03
<b>Operating Profit Before Working Capital Changes</b>	<b>839.01</b>	<b>1,381.08</b>	<b>494.13</b>	<b>836.96</b>
Change in working Capital -Adjusted for (Increase)/Decrease in:				
Provisions	-69.18	141.30	-65.36	-26.58
Trade Receivables	-893.44	58.41	228.48	-812.59
Inventories	132.04	-1,281.30	-225.59	169.46
Other Current assets	-38.44	234.15	-124.17	-135.97
Other Non-current Assets	-1,062.35	977.97	323.39	117.42
Trade Payables	323.88	-757.65	-163.01	-433.41
Other long-term Liabilities	-38.46	135.88	-	15.00
Other Current Liabilities	-1,002.73	412.92	788.20	176.36
Long term Loans & Advances	-	-	-	-35.00
Short Term Loans & Advances	1,385.45	-217.42	-1,129.96	208.13
<b>Cash Generated from Operations</b>	<b>-424.22</b>	<b>1,085.34</b>	<b>126.11</b>	<b>79.77</b>
Appropriation of Profit	-	-	-	-
Net Income Tax paid/ refunded	207.42	338.62	124.84	182.46
<b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>	<b>-631.63</b>	<b>746.72</b>	<b>1.27</b>	<b>-102.69</b>
<b>Cash Flow from Investing Activities:</b>				
Purchase of Property, Plant and Equipment's (including capital work in progress & Intangible assets)	-15.35	-535.11	-187.85	-131.15
Sale of Property, Plant and Equipment's	100.00	25.13	3.29	1.90
Rent Income	109.86	68.73	270.22	132.28
Non-current Investment	-	-0.80	0.01	-
Interest Income	46.03	146.88	164.58	135.80
<b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>	<b>240.55</b>	<b>-295.16</b>	<b>250.26</b>	<b>138.82</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds from Long term Borrowings (including Current Maturity)	-	52.00	11.00	-
Repayment of Long-term Borrowings (including Current Maturity)	-13.80	-14.73	-2.83	-682.46
Net Increase/Decrease) in Short Term Borrowing	-750.00	-989.66	1,732.59	1,284.13
Interest Paid	-84.37	-238.34	-183.42	-146.03
<b>Net Cash Flow from/ (used in) Financing Activities (C)</b>	<b>-848.16</b>	<b>-1,190.73</b>	<b>1,557.34</b>	<b>455.64</b>
Net Increase/Decrease) in Cash & Bank balance (A+B+C)	-1,239.25	-739.17	1,808.87	491.78
Cash & Bank balance As at Beginning of the Year	1,728.74	2,467.91	659.05	167.27
Cash & Bank Balance as At End of the Year	<b>489.49</b>	<b>1,728.74</b>	<b>2,467.91</b>	<b>659.05</b>

**Notes:**

<b>1. Components of Cash &amp; Bank Balance</b>	<b>For the period ended September 30, 2024</b>	<b>For the year ended March 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Cash &amp; Cash Equivalents</b>				
Cash on Hand	0.59	0.72	0.59	4.55
Bank Balance	14.37	94.87	220.83	43.92
Fixed Deposits	27.35	241.16	292.90	59.43
<b>Other Bank Balances:</b>				
Deposits with original maturity for more than 3 months but less than 12 months	447.18	1,391.99	1,953.58	551.15
<b>Total</b>	<b>489.49</b>	<b>1,728.74</b>	<b>2,467.91</b>	<b>659.05</b>

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

## GENERAL INFORMATION

### Brief Summary:

Our Company was originally incorporated as “Patil Automation Private Limited”, a private limited Company under the provisions of the Companies Act, 2013, pursuant to a Certificate of Incorporation dated July 22, 2015 issued by the Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on September 05, 2024 and the name of our Company was changed from “Patil Automation Private Limited” to “Patil Automation Limited” vide fresh certificate of incorporation dated October 21, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U29299PN2015PLC155878.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 149 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109 <b>Tel. No.:</b> +91- 9168338383 <b>Email:</b> <a href="mailto:info@patilautomation.com">info@patilautomation.com</a> <b>Website:</b> <a href="https://patilautomation.com/">https://patilautomation.com/</a> <b>CIN:</b> U29299PN2015PLC155878 <b>Registration Number:</b> 155878
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### Address of the Registrar of Companies:

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

#### Registrar of Companies, Maharashtra

PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune, Maharashtra – 411044

### Board of Directors:

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

Sr. No	Name of Director	Designation	DIN	Address
1	Manoj Pandurang Patil	Managing Director	06425903	Flat No. 1302, 13 <sup>th</sup> Floor, Lodha Belmondo, Tower 22, Gahunje, Pune, Maharashtra - 412101
2	Aarti Manoj Patil	Executive Director	07029839	Flat No. 1302, 13 <sup>th</sup> Floor, Lodha Belmondo, Tower 22, Gahunje, Pune, Maharashtra - 412101
3	Prafulla Pandurang Patil	Executive Director and CFO	10759798	Flat no. 202, F - Wing, Devi Indrayani Co-op Housing Society, Dehu- Alandi Road, Near Talwade IT Park, Talwade, Pune, Maharashtra - 412114
4	Ketan Padmakar Chaphekar	Independent Director	01740800	11, Satyayash, Vee Nimbkar Society, Baner Near Sakal Nagar Baner Road, Pune, Maharashtra – 411007
5	Kshama Ronak Dharnidharka	Additional Independent Director	07662396	306, Venkatesh Kunj, 150 Feet road, near HDFC Bank, Bhayander west, Thane, Maharashtra-401101.
6	Santoshkumar Vasantrao Patil	Independent Director	01741975	601, Raj Residency-3, Mahavir Nagar, near Jain Mandir, near Dahanukarwadi, Kandivali west, Mumbai, Maharashtra - 400067

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 152 of this Draft Red Herring Prospectus.

<b>Chief Financial Officer</b>	<b>Company Secretary and Compliance Officer</b>
<b>Prafulla Pandurang Patil</b> <b>Patil Automation Limited</b> <b>Address:</b> Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109 <b>Tel. No.:</b> +91-9168338383 <b>Email:</b> <a href="mailto:pppatil@patilautomation.com">pppatil@patilautomation.com</a>	<b>Niharika Shamindra Singhal</b> <b>Patil Automation Limited</b> <b>Address:</b> Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109 <b>Tel. No.:</b> +91-9168338383 <b>Email:</b> <a href="mailto:cs@patilautomation.com">cs@patilautomation.com</a>

### **Investor Grievances:**

**Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the Issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

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

### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Book Running Lead Manager to the Issue</b> <b>Seren Capital Private Limited</b> <b>Address:</b> Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Maharashtra, India, 400059. <b>Tel No.:</b> +91-22-46011058 <b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a> <b>Investor Grievance Email:</b> <a href="mailto:investors@serencapital.in">investors@serencapital.in</a> <b>Website:</b> <a href="https://serencapital.in/">https://serencapital.in/</a> <b>Contact Person:</b> Akun Goyal/Akshita Agarwal <b>SEBI Reg. No.:</b> INM000013156	<b>Legal Advisors to the Issue</b> <b>M/s Asha Agarwal &amp; Associates</b> <b>Address:</b> 118, Shila Vihar, Gokulpura, Jhotwara, Jaipur-302012, Rajasthan <b>Tel No.:</b> +91 9950933137 <b>Email:</b> <a href="mailto:ashaagarwalassociates@gmail.com">ashaagarwalassociates@gmail.com</a> <b>Contact Person:</b> Ms. Asha Agarwal
<b>Registrar to the Issue</b> <b>Purva Shareregistry (India) Private Limited</b> <b>Address:</b> 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East) Mumbai-400011, Maharashtra, India <b>Telephone:</b> +91 022 4961 4132 <b>Email:</b> <a href="mailto:newissue@purvashare.com">newissue@purvashare.com</a> <b>Investor Grievance Email:</b> <a href="mailto:newissue@purvashare.com">newissue@purvashare.com</a> <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> <b>Contact Person:</b> Ms. Deepali Dhuri <b>SEBI Registration Number:</b> INR000001112 <b>CIN:</b> U67120MH1993PTC074079	<b>Statutory Auditors</b> <b>GMCS &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> SB 18, 2nd Floor, Highstreet Mall ,Kapurbaudi , Majiwada , Thane (W) , 400607 <b>Tel No.:</b> +91-8445127656 <b>Email:</b> <a href="mailto:amitcabansal@gmail.com">amitcabansal@gmail.com</a> <b>Firm Registration No.:</b> 141236W <b>Contact Person:</b> Amit Bansal <b>Peer Review Certificate No.:</b> 014247
<b>Bankers to the Company</b>	<b>Syndicate Member*</b>

<b>ICICI Bank Limited</b> <b>Address:</b> Gat No. 4, Bandra Kurla Complex, ICICI Bank Towers, Mumbai, Maharashtra-400051 <b>Telephone No.:</b> +91-8600822390 <b>Email Id:</b> <a href="mailto:nikit.gandhi@icicibank.com">nikit.gandhi@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact Person:</b> Nikit Gandhi	[●]
<b>Bankers to the Issue/Refund Banker/ Sponsor Bank*</b>	
[●]	

*\*The Bankers to the Issue, Refund Bank, Sponsor Bank and Syndicate Member shall be appointed prior to filing of Red herring Prospectus.*

### **Designated Intermediaries:**

#### **Self-Certified Syndicate Banks (SCSB's)**

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>; and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

#### **Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

#### **Syndicate SCSB Branches**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

#### **Registrar and Share Transfer Agents**

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

#### **Collecting Depository Participants**

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Brokers to the Issue**

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

### **Expert Opinion**

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

- (i) Our Company has received written consent dated December 11, 2024 from GMCS & Co., Chartered Accountants, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as Statutory auditor, and in respect of their examination report dated December 11, 2024 on our Restated Financial Information included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- (ii) Our Company has received written consent dated January 02, 2025 from Ajmera & Ajmera, Chartered Accountants, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as an Independent Chartered Accountant, in respect of their certificates issued in connection with this offer and details derived therefrom as included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
- (iii) Our Company has received written consent dated January 08, 2025 from Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as an Independent Chartered Engineer, in respect of the report issued in connection with this offer and details derived therefrom as included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

Seren Capital Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

### **Appraisal and Monitoring Agency**

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

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Credit Rating**

As this is an Issue of Equity Shares, there is no credit rating for the Issue.

### **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.

## Trustees

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

## Debenture Trustees

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

## Filing of Issue Documents with the Designated Stock Exchange/SEBI/ROC

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

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

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

## Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all edition of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company
- The Book Running Lead Manager in this case being **Seren Capital Private Limited**,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue, in this case being the **Purva Sharegistry (India) Private Limited**;
- The Escrow Collection Banks/ Bankers to the Issue and;
- The Designated Intermediaries and Sponsor bank

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

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

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid 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 and the Selling Shareholders in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “*Issue Procedure*” beginning on page 265 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 265 of this Draft Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

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

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 265 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.



- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

**Bid/Issue Program:**

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

<sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI (ICDR) Regulations.

<sup>(2)</sup> Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

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

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidder on Bid/Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data

contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

### Underwriting

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the underwriter [●].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
[●]	[●]	[●]	[●]

\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, [●] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

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

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Statutory Auditor	Date of Change	Reason of Change
<b>S. B. Ohara and Co.,</b> <b>Chartered Accountants,</b> <b>Address:</b> Office No. 10, 2nd Floor, DSK Rohit, Near Central Park Hotel, Apte Road, Shivaji Nagar, Pune, Maharashtra-411004 <b>Email:</b> cashreyasohara@gmail.com <b>Firm Registration No.:</b> 131804W	October 30,2024	Resignation due to pre-occupation in other assignments.

<b>Contact Person:</b> Shreyas Ohara <b>Membership No:</b> 131807		
<b>GMCS &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> SB 18, 2nd floor, Highstreet Mall, Kapurbandi, Majiwada, Thane (w), Maharashtra- 400607 <b>Email:</b> amitcabansal@gmail.com <b>Firm Registration No.:</b> 141236W <b>Contact Person:</b> Amit Bansal <b>Membership No:</b> 424232	November 04,2024	Appointment as Statutory Auditors of the Company under section 139 (2) of Companies Act 2013 in case of casual vacancy for the period April 01, 2024 to March 31, 2025.

#### Details of the Market Making arrangement for this Issue

Our Company and the BRLM has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	[●]
<b>Correspondence Address</b>	[●]
<b>Tel No.</b>	[●]
<b>E-mail</b>	[●]
<b>Website</b>	[●]
<b>Contact Person</b>	[●]
<b>SEBI Registration No.</b>	[●]
<b>Market Maker Registration No.</b>	[●]

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

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

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

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

- 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 offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE EMERGE and SEBI from time to time.
- 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 sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares

allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.

- 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.
- 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 script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The 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.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM 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, as amended. Further our Company and the BRLM 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 particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

- **Risk containment measures and monitoring for Market Makers:** NSE EMERGE will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** 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 (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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

The following spread will be applicable on the SME platform:

S. No.	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 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 at the date of this Draft Red Herring Prospectus is set forth below:

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 2,50,00,000 Equity Shares having Face Value of ₹10/- each	2500.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,60,20,000 Equity Shares having Face Value of ₹10/- each	1602.00	-
C	<b>Present Issue in terms of this Draft Red Herring Prospectus*</b> Up to 58,00,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share	580.00	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> Upto [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i>		
	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	[●]	
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b> [●] Equity Shares of face value of ₹10/- each		[●]
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Red Herring Prospectus)	922.50	
	After the Issue		[●]

*\*The Present Issue of upto 58,00,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 11, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on December 12, 2024.*

### Classes of Shares:

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

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in Authorized Equity Share Capital of our Company:

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	50,000	10/-	5.00	On Incorporation	N.A.
2.	Increase in the authorized share capital of the Company from	14,50,000	10/-	150.00	March 04, 2016	EGM

	₹5.00 Lakh to ₹150.00 Lakh					
3.	Increase in the authorized share capital of the Company from ₹150.00 Lakh to ₹250.00 Lakhs	10,00,000	10/-	250.00	February 08,2018	EGM
4.	Increase in the authorized share capital of the Company from ₹250.00 Lakh to ₹550.00 Lakhs	30,00,000	10/-	550.00	March 10,2018	EGM
5.	Increase in the authorized share capital of the Company from ₹550.00 Lakh to ₹2500 Lakhs	1,95,00,000	10/-	2500	November 04, 2024	EGM

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

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)*	Cumulative Paid up Capital (₹)
Upon Incorporation	50,000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	50,000	-	5,00,000
March 31, 2016	9,90,000	10/-	10/-	Cash	Right Issue <sup>(ii)</sup>	10,40,000	-	10,40,000
March 06, 2018	10,00,000	10/-	10/-	Cash	Right Issue <sup>(iii)</sup>	20,40,000	-	2,04,00,000
March 27, 2018	30,00,000	10/-	10/-	Cash	Right Issue <sup>(iv)</sup>	50,40,000	-	5,04,00,000
November 08, 2024	1,00,80,000	10/-	NA	NA	Bonus Issue in ratio of 2:1 <sup>(v)</sup>	1,51,20,000	-	15,12,00,000
December 25, 2024	9,00,000	10/-	112.50	Cash	Preferential Allotment <sup>(vi)</sup>	1,60,20,000	9,22,50,000	16,02,00,000

All the above-mentioned shares are fully paid up since the date of allotment.

(i) Initial Subscribers to the Memorandum of Association subscribed 50,000 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Shekhar Sharad Kolte	25,000
2.	Jaishree Shekhar Kolte	25,000
	<b>Total</b>	<b>50,000</b>

(ii) Allotment of 9,90,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Aarti Manoj Patil	9,90,000
	<b>Total</b>	<b>9,90,000</b>

(iii) Allotment of 10,00,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Manoj Pandurang Patil	10,00,000
	<b>Total</b>	<b>10,00,000</b>

(iv) Allotment of 30,00,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Manoj Pandurang Patil	30,00,000
	<b>Total</b>	<b>30,00,000</b>

(v) Bonus issue of 1,00,80,000 Equity Shares of Face Value of ₹ 10/-each in the ratio of 2:1 i.e Two (2) Bonus Equity Share for every One (1) Equity Share held by shareholders:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Manoj Pandurang Patil	80,99,000
2.	Aarti Manoj Patil	18,81,000
3.	Piyusha Manoj Patil	20,000
4.	Vijay Pandurang Patil	20,000
5.	Sarita Prafulla Patil	20,000
6.	Sushila Pandurang Patil	20,000
7.	Prafulla Pandurang Patil	20,000
	<b>Total</b>	<b>1,00,80,000</b>

(vi) Allotment of 9,00,000 Equity Shares of Face Value of ₹ 10/- each on preferential basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Aegis Investment Fund PCC	2,22,500
2.	Ganesh Ramesh Nibe	2,22,500
3.	Shakti Mechtech Private Limited	80,000
4.	Harshkumar Kachardas Bhansali	76,000
5.	G Gunavanth Kumar	66,800
6.	Gotham Chand A (HUF)	66,800
7.	Ravi Kant Jagetiya	31,000
8.	Amit Kumar Damani	24,600
9.	Vimalaben Arvindkumar Shah	17,800
10.	Sandeep Bhandari	13,400
11.	Shankesh Vijayakumar and Manav Vijayakumar on behalf of Shagun Capital Venture	13,400
12.	Kalpana Manoj Golecha	13,400
13.	Ceramet Consultants Private Limited	8,900
14.	Prashant Mishra	8,900
15.	Jyoti Bhajya	8,900
16.	Shreya Rakhecha	7,100
17.	Dhruv Manoj Mimani	4,500
18.	Vikram Gupta	1,200
19.	Prakash Chainrai Jaisinghani	1,000
20.	Shreyansh Kansal Gupta	1,000
21.	Varsha Kishor Navale	1,000
22.	Parag Ram Kishore Sharma	1,000
23.	Balakrishnan Govind Swamy	1,000
24.	Dnyaneshwar Karbhari Nibe	1,000
25.	Rajesh Kumar Khanna	1,000
26.	Prakash Murlidhar Bhamare	1,000
27.	Vishwanath Venkatesh Kamath	1,000
28.	Aadityaraj Singh Rathod	900
29.	Vivek Laxmanrao Joshi	700
30.	Sandip Malhari Sasane	700
31.	Rachana Singh Thakur	500
32.	Vinod Rameshchandra Chandak	500
	<b>Total</b>	<b>9,00,000</b>

b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.



3. Except as mentioned below, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
November 08, 2024	1,00,80,000	10.00	Nil	Bonus Issue in the ratio of 2:1	Capitalization of Reserves & Surplus	Manoj Pandurang Patil	80,99,000
						Aarti Manoj Patil	18,81,000
						Piyusha Manoj Patil	20,000
						Vijay Pandurang Patil	20,000
						Sarita Prafulla Patil	20,000
						Sushila Pandurang Patil	20,000
						Prafulla Pandurang Patil	20,000
						<b>TOTAL</b>	<b>1,00,80,000</b>
December 25, 2024	9,00,000	10.00	112.50	Preferential Allotment	Infusion of funds in the Company	Aegis Investment Fund PCC	2,22,500
						Ganesh Ramesh Nibe	2,22,500
						Shakti Mechtech Private Limited	80,000
						Harshkumar Kachardas Bhansali	76,000
						G Gunavanth Kumar	66,800
						Gotham Chand A (HUF)	66,800
						Ravi Kant Jagetiya	31,000
						Amit Kumar Damani	24,600
						Vimalaben Arvindkumar Shah	17,800
						Sandeep Bhandari	13,400
						Shankesh Vijayakumar and Manav Vijayakumar on behalf of Shagun Capital Venture	13,400
						Kalpana Manoj Golecha	13,400
						Ceramet Consultants Private Limited	8,900
						Prashant Mishra	8,900
						Jyoti Bhaiya	8,900
						Shreya Rakhecha	7,100
						Dhruv Manoj Mimani	4,500
						Vikram Gupta	1,200
						Prakash Chainrai Jaisinghani	1,000
						Shreyansh Kansal Gupta	1,000
						Varsha Kishor Navale	1,000
						Parag Ram Kishore Sharma	1,000
						Balakrishnan Govind Swamy	1,000
						Dnyaneshwar Karbhari Nibe	1,000
						Rajesh Kumar Khanna	1,000
						Prakash Murlidhar Bhamare	1,000
						Vishwanath Venkatesh Kamath	1,000
Aadityaraj Singh Rathod	900						
Vivek Laxmanrao Joshi	700						

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
						Sandip Malhari Sasane	700
						Rachana Singh Thakur	500
						Vinod Rameshchandra Chandak	500
						<b>TOTAL</b>	<b>9,00,000</b>

4. Issue of Equity Shares for consideration other than cash:

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
November 08, 2024	1,00,80,000	10.00	Nil	Bonus Issue in the ratio of 2:1	Capitalization of Reserves & Surplus	Manoj Pandurang Patil	80,99,000
						Aarti Manoj Patil	18,81,000
						Piyusha Manoj Patil	20,000
						Vijay Pandurang Patil	20,000
						Sarita Prafulla Patil	20,000
						Sushila Pandurang Patil	20,000
						Prafulla Pandurang Patil	20,000
						<b>TOTAL</b>	<b>1,00,80,000</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

7. Except for bonus issue made on November 08, 2024 and Preferential allotment made on December 25, 2024 in Point 3 above, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus.

8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

9. **Shareholding Pattern of the Company**

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

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	7	1,51,20,000	-	-	1,51,20,000	94.38	1,51,20,000	-	1,51,20,000	94.38	-	94.38	-	-	1,51,20,000		
(B)	Public	32	9,00,000	-	-	9,00,000	5.62	9,00,000	-	9,00,000	5.62	-	5.62	-	-	9,00,000		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>39</b>	<b>1,60,20,000</b>	-	-	<b>1,60,20,000</b>	<b>100.00</b>	<b>1,60,20,000</b>	-	<b>1,60,20,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	<b>1,60,20,000</b>		

\*The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**Notes:**

- As on date of this Draft Red Herring 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 dated October 18, 2024 and October 04, 2024 with CDSL & NSDL respectively.
- 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 NSE before commencement of trading of such Equity Shares.

**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Manoj Pandurang Patil	1,21,48,500	75.83
2.	Aarti Manoj Patil	28,21,500	17.61
3.	Aegis Investment Fund PCC	2,22,500	1.39
4.	Ganesh Ramesh Nibe	2,22,500	1.39
	<b>Total</b>	<b>1,54,15,000</b>	<b>96.22</b>

b) Ten days prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Manoj Pandurang Patil	1,21,48,500	75.83
2.	Aarti Manoj Patil	28,21,500	17.61
3.	Aegis Investment Fund PCC	2,22,500	1.39
4.	Ganesh Ramesh Nibe	2,22,500	1.39
	<b>Total</b>	<b>1,54,15,000</b>	<b>96.22</b>

c) One Year prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Manoj Pandurang Patil	40,49,500	80.35
2.	Aarti Manoj Patil	9,90,500	19.65
	<b>Total</b>	<b>50,40,000</b>	<b>100.00</b>

\*Details of shares held on 09 January ,2023 and percentage held has been calculated based on the paid-up capital of our Company as on 09 January ,2023.

d) Two Years prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 1000 each)	% Pre-Issue paid up Share Capital
1.	Manoj Pandurang Patil	40,49,500	80.35
2.	Aarti Manoj Patil	9,90,500	19.65
	<b>Total</b>	<b>50,40,000</b>	<b>100.00</b>

\*Details of shares held on 09 January,2022 and percentage held has been calculated based on the paid-up capital of our Company as on 09 January ,2022.

11. Our Company has not made any Initial Public Issue of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the

Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares. 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 shares 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 of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, Our Promoters, Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil collectively hold 1,50,00,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>Manoj Pandurang Patil</b>							
March 31, 2016	48,500	10	10	Cash	Acquisition by way of Transfer of Shares <sup>(a)</sup>	0.30	[•]
March 31, 2017	1000	10	10	Cash	Acquisition by way of Transfer of Shares <sup>(b)</sup>	0.01	[•]
March 06, 2018	10,00,000	10	10	Cash	Right Issue	6.24	[•]
March 27, 2018	30,00,000	10	10	Cash	Right Issue	18.73	[•]
November 08, 2024	80,99,000	10	NA	Consideration other than cash	Bonus Issue in the Ratio of 2:1	50.56	[•]
<b>Total (A)</b>	<b>1,21,48,500</b>					<b>75.83</b>	[•]
<b>Aarti Manoj Patil</b>							
March 31, 2016	500	10	10	Cash	Acquisition by way of Transfer of Shares <sup>(c)</sup>	0.00	[•]
March 31, 2016	9,90,000	10	10	Cash	Right Issue	6.18	[•]
September 09, 2024	(50,000)	10	0	Nil	Disposal of shares by way of Transfer <sup>(d)</sup>	(0.31)	[•]
November 08, 2024	18,81,000	10	NA	NA	Bonus Issue in the ratio of 2:1	11.74	[•]
<b>Total (B)</b>	<b>28,21,500</b>					<b>17.61</b>	[•]

Prafulla Pandurang Patil							
September 09, 2024	10,000	10	0	Nil	Acquisition by way of Transfer of Shares <sup>(e)</sup>	0.06	
November 08, 2024	20,000	10	NA	NA	Bonus Issue in the ratio of 2:1	0.12	
<b>Total (C)</b>	<b>30,000</b>					<b>0.19</b>	
<b>Grand Total</b>	<b>1,50,00,000</b>					<b>93.63</b>	[•]

Note: None of the Shares has been pledged by our Promoters.

(a) Details of Acquisition by Manoj Pandurang Patil by way of Transfer of 48,500 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	March 31, 2016	Shekhar Sharad Kolte	24250
2.	March 31, 2016	Jaishree Shekhar Kolte	24250
		<b>Total</b>	<b>48,500</b>

(b) Details of Acquisition by Manoj Pandurang Patil by way of Transfer of 1,000 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	March 31, 2017	Shekhar Sharad Kolte	500
2.	March 31, 2017	Jaishree Shekhar Kolte	500
		<b>Total</b>	<b>1000</b>

(c) Details of Acquisition by Aarti Manoj Patil by way of Transfer of 500 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	March 31, 2016	Shekhar Sharad Kolte	250
2.	March 31, 2016	Jaishree Shekhar Kolte	250
		<b>Total</b>	<b>500</b>

(d) Details of Disposal of Shares by Aarti Manoj Patil by way of Transfer of 50,000 equity shares.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	September 09, 2024	Piyusha Manoj Patil	10,000
2.	September 09, 2024	Vijay Pandurang Patil	10,000
3.	September 09, 2024	Sarita Prafulla Patil	10,000
4.	September 09, 2024	Sushila Pandurang Patil	10,000
5.	September 09, 2024	Prafulla Pandurang Patil	10,000
		<b>Total</b>	<b>50,000</b>

(e) Details of Acquisition by Prafulla Pandurang Patil by way of Transfer of 10,000 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	September 09, 2024	Aarti Manoj Patil	10,000
		<b>Total</b>	<b>10,000</b>

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Manoj Pandurang Patil	1,21,48,500	3.33
2.	Aarti Manoj Patil	28,21,500	3.51
3.	Prafulla Pandurang Patil	30,000	0

### 15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Manoj Pandurang Patil	1,21,48,500	75.83	1,21,48,500	[●]
2.	Aarti Manoj Patil	28,21,500	17.61	28,21,500	[●]
3.	Prafulla Pandurang Patil	30,000	0.19	30,000	[●]
	<b>Sub Total (A)</b>	<b>1,50,00,000</b>	<b>93.63</b>	<b>1,50,00,000</b>	<b>[●]</b>
	<b>Promoter Group (B)</b>				
4.	Piyusha Manoj Patil	30,000	0.19	30,000	[●]
5.	Vijay Pandurang Patil	30,000	0.19	30,000	[●]
6.	Sarita Prafulla Patil	30,000	0.19	30,000	[●]
7.	Sushila Pandurang Patil	30,000	0.19	30,000	[●]
	<b>Sub Total (B)</b>	<b>1,20,000</b>	<b>0.75</b>	<b>1,20,000</b>	<b>[●]</b>
	<b>Total (A) + (B)</b>	<b>1,51,20,000</b>	<b>94.38</b>	<b>1,51,20,000</b>	<b>[●]</b>

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

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share	% of Pre issue Capital	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
September 09, 2024	Aarti Manoj Patil	50,000	0.31	Disposal by way of Transfer	Promoter & Director
September 09, 2024	Piyusha Manoj Patil	10,000	0.06	Acquisition by way of Transfer	Promoter Group
	Vijay Pandurang Patil	10,000	0.06	Acquisition by way of Transfer	Promoter Group
	Sarita Prafulla Patil	10,000	0.06	Acquisition by way of Transfer	Promoter Group
	Sushila Pandurang Patil	10,000	0.06	Acquisition by way of Transfer	Promoter Group
	Prafulla Pandurang Patil	10,000	0.06	Acquisition by way of Transfer	Promoter and Director
December 25, 2024	Manoj Pandurang Patil	80,99,000	50.56	Allotment through bonus issue of shares	Promoter & Director
	Aarti Manoj Patil	18,81,000	11.74		Promoter & Director
	Piyusha Manoj Patil	20,000	0.12		Promoter Group
	Vijay Pandurang Patil	20,000	0.12		Promoter Group
	Sarita Prafulla Patil	20,000	0.12		Promoter Group
	Sushila Pandurang Patil	20,000	0.12		Promoter Group
	Prafulla Pandurang Patil	20,000	0.12		Promoter & Director

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

#### 18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post Issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,50,00,000 Equity Shares constituting [●] % of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Manoj Pandurang Patil have given written consent to include 43,80,000 Equity Shares held by him and subscribed by him as part of Promoters Contribution constituting [●] % of the post Issue Equity Shares of our Company. Further, he has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Manoj Pandurang Patil</b>						
November 08, 2024	43,80,000	10	Nil	Bonus Issue	[●]	3 years
<b>Total</b>	<b>43,80,000</b>				[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

The entire pre-issue shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

#### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>



Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	Equity Shares which are ineligible for minimum promoters' contribution	
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being Issued to public in the initial public Issue	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities 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 specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

#### Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 1,16,40,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or

a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Issue price in respect of the Issue is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
21. The BRLM i.e. Seren Capital Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
22. As on the date of this Draft Red Herring 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 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.
23. We have 39 (Thirty Nine) shareholders as on the date of filing of this Draft Red Herring Prospectus.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Issue
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application money unblocked on account of failure of Issue.
28. An over-subscription to the extent of 1% of the Issue, subject to the maximum post Issue paid up capital of Rs. 25 Cr., can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public Issue.
34. As per RBI regulations, OCBs are not allowed to participate in this Issue.

35. Our Promoters and Promoter Group will not participate in this Issue.
36. This Issue is being made through Book Building Process.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
39. No person connected with the Issue shall Issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the net issue to meet the following objects:

1. Funding of capital expenditure towards setup of a new manufacturing facility;
2. Repayment of a portion of certain borrowings availed by our Company; and
3. General Corporate Purpose

*(Collectively referred as the “Objects”)*

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

The main objects clause of our Memorandum enables our Company to undertake its existing activities and the activities for which the funds are being raised by our Company in the Fresh Issue.

### **Net Proceeds**

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

### **Requirement of Funds and Utilization of Net Proceeds**

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

S. No.	Particulars	Amount (₹ in Lakhs)
1.	Funding of capital expenditure towards setup of new manufacturing facility	6609.19
2.	Repayment of a portion of certain borrowings availed by our Company	1600.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### **Means of Finance**

The fund requirements for the Objects above are proposed to be entirely funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition 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 the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 27 of this Draft Red Herring Prospectus.

### **Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth herein below:

#### **1. Funding of capital expenditure towards setup of new manufacturing facility**

We are engaged in designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling machineries and special-purpose machineries, tailored to meet the specific requirements of our clients' production facilities. We currently manufacture automation systems from our facility (Unit-I and Unit II) located in the MIDC Chakan area of Village Sudumbre, Tehsil Maval, District Pune. These units have a total floor area of 1,09,000 sq. ft, with an installed capacity of 2304 units for welding lines (welding cells and fixtures) and assembly lines, and are operating at an optimum capacity utilization level. As on September 30, 2024, our facility is operating at 83.51% capacity utilization (Source: Chartered Engineer Report dated January 08, 2024, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP).

As part of our growth strategy, we are focused on addressing the market demand from our existing and new clients in the automotive sector, while also expanding our presence into the non-automotive sector. In the automotive sector, we aim to strengthen our presence in the automation solutions for electric vehicle (EV) segment, which has the potential to grow exponentially (Source: D&B Report). According to the D&B Report, the rise of electric vehicles (EVs) has profoundly reshaped the dynamics of the automotive automation market. EV manufacturing introduces unique requirements that demand specialized automation solutions across various production stages. Further, as per the said D&B report, the shift towards electric vehicles is a significant growth driver for automation. EV manufacturing demands high precision and the ability to handle specialized components such as batteries and electronic control units. Automation technologies, including robotic assembly and smart material handling systems, are pivotal in meeting these requirements. As EV adoption grows, the demand for automation solutions in battery production and vehicle assembly will surge. (Source: D&B Report).

Further, in addition to serving our existing automotive sector clients, we aim to manufacture and market automation solutions for non-automotive sectors, particularly for the heavy construction equipment, pharmaceutical and white goods (consumer goods) sectors. This diversification will enable us to broaden our customer base, reduce dependence on any single market segment and mitigate risks associated with market concentration. While we currently serve non-automotive clients in sectors such as capital goods, agricultural machinery and the electrical industry, these engagements represent a small portion of our overall revenue. Going forward, we plan to increase the revenue contribution from non-automotive clients by strengthening our presence in these sectors. As per the D&B Report, the use of industrial robots is on the rise, particularly in sectors like automotive, electronics and pharmaceuticals. Robots are employed for tasks ranging from assembly and welding to packaging and quality inspection, ensuring precision and consistency. Industries like automotive, electronics, and consumer goods are increasingly adopting automated systems to meet production demands, enhance productivity, and maintain quality standards. (Source: D&B Report).

The following table sets forth the bifurcation of revenue (industry-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)								
<b>Industry</b>	<b>Apr.'24- Sept.'24</b>	<b>% of revenue</b>	<b>F.Y. 2023-24</b>	<b>% of revenue</b>	<b>F.Y. 2022-23</b>	<b>% of revenue</b>	<b>F.Y. 2021-22</b>	<b>% of revenue</b>
Automotive	5,782.96	99.10%	11,331.61	98.30%	7,582.96	97.46%	8,966.36	95.22%

Non-automotive <sup>(i)</sup>	50.30	0.86%	189.07	1.64%	192.24	2.47%	445.12	4.73%
Others <sup>(ii)</sup>	2.12	0.04%	7.28	0.06%	5.54	0.07%	4.80	0.05%
<b>Grand Total</b>	<b>5835.38</b>	<b>100.00%</b>	<b>11527.96</b>	<b>100.00%</b>	<b>7780.75</b>	<b>100.00%</b>	<b>9416.29</b>	<b>100.00%</b>

<sup>(i)</sup>Non-automotive segment category includes customers operating in the capital goods, agricultural machinery and electrical industry sector.

<sup>(ii)</sup>Other category includes sale of scrap.

To support our growth objectives and strengthen our presence in the automation market, we intend to establish a new manufacturing facility at Gat No. 112 & 113, Village Sudumbre, Taluka Maval, Pune, Maharashtra, which will have an approximately floor area of 59,046 sq. ft. divided into three factory units. This will enhance our installed capacity from 2304 units to an estimated 3454 units (Source: Chartered Engineer Report dated January 08, 2024, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP). This expansion will enable us to secure new orders from existing and potential customers, capitalize on emerging market opportunities and drive revenue growth.

To achieve this objective, the Board, in its meeting held on November 21, 2024, approved the acquisition of land at Gat No. 112 & 113, Sudumbre Village, Taluka Maval, District Pune, for the establishment of the proposed new manufacturing facility. In order to set up the proposed manufacturing facility, we require to make investment in *inter alia* acquisition of land, construction of factory building, plant and machinery, furniture and fixtures and others. We intend to utilize net issue proceeds to an extent of Rs. 6609.19 lakhs towards acquisition of land, civil construction, purchase of plant & machinery and to meet the contingences. We have allocated a contingency amount of Rs. 300 lakhs from the net proceeds to cover potential expenses arising from increase in machinery costs (if any), associated transportation & installation charges and to meet expenditure related to furniture and fixtures.

### Estimated Proposed Project Cost

The total estimated cost of the proposed manufacturing facility is ₹ 6709.19 lakhs, as per the Project Report dated January 07, 2025, obtained by our Company from M/s S.N. Rasane & Associates, Chartered Engineers & Government-Approved Valuers (“Project Report”). Our Company proposes to utilize an amount of up to ₹ 6609.19 lakhs from the Net Proceeds for funding capital expenditure requirements of our Company towards setting up the Proposed Facility.

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

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

(Rs. in lakhs)

Sr. No.	Particulars	Estimated Cost	Funds deployed from internal accruals	To be met from issue proceeds
1	Land	1284.00	100.00*	1184.00
2	Civil Construction	2828.75	-	2828.75
3	Plant & Machinery	2296.44	-	2296.44
4	Contingencies#	300.00	-	300.00
	<b>Total cost</b>	<b>6709.19</b>	<b>100.00*</b>	<b>6609.19</b>

\*Our Company has signed an MOU dated November 28, 2024 with the proposed sellers to purchase the said property at a price of Rs. 12.00 crores. As of the date of DRHP filing our company has paid advance of Rs. 1 crore as per the said MOU.

# Our Company has allocated a contingency amount of ₹300.00 lakhs from the net proceeds to cover potential expenses arising from increases in machinery costs (if any), associated transportation & installation charges and expenditure related to furniture and fixtures, which is a reasonable and justified allocated amount, considering the scope of the project, as per the Project Report.

### Break - up of the estimated cost

## Land

The proposed manufacturing facility will be setup on the land parcel situated at Gat No. 112 & 113, Sudumbre Village, Taluka Maval, District Pune situated on plot area admeasuring to 16,100 sq. mtr. which is currently owned by certain individuals namely, Mr. Somnath Shantaram Taras and Mr. Sharad Sambhaji Mahalunkar (“proposed sellers”).

Sr.no	Address	Area	Proposed Seller
Land 1	Gat No. 112, Village: Sudumbre, Taluka: Maval, District: Pune	5050 sq.mtr	Mr. Somnath Shantaram Taras
Land 2	Gat No. 113, Village: Sudumbre, Taluka: Maval, District: Pune	3000 sq.mtr	Mr. Somnath Shantaram Taras
Land 3	Gat No. 112, Village: Sudumbre, Taluka: Maval, District: Pune	5050 sq.mtr	Mr. Sharad Sambhaji Mahalunkar
Land 4	Gat No. 113, Village: Sudumbre, Taluka: Maval, District: Pune	3000 sq.mtr	Mr. Sharad Sambhaji Mahalunkar

The break-up of the cost of land is given below:

Sr. No.	Particulars	Estimated Cost	Funds deployed from internal accruals	To be met from issue proceeds
1	Base consideration	1200.00	100.00*	1100.00
2	Registration & Stamp Duty	84.00	-	84.00
	<b>Total cost</b>	<b>1284.00</b>	<b>100.00*</b>	<b>1284.00</b>

\*Our Company has signed MOU dated November 28, 2024 with the proposed sellers to purchase the said property at a price of Rs. 1200.00 lakhs computed at the rate of Rs. 695 per sq.ft. As of the date of this DRHP, we have paid an advance consideration of Rs. 100.00 lakhs for the acquisition of such land. As per the MOU, we are required to pay remaining Rs. 1100.00 lakhs on or before March 31, 2025.

We have obtained a land valuation report from S.N. Rasane & Associates, Chartered Engineers & Government-Approved Valuers, which determined the fair market value of the aforementioned land to be ₹1,216.50 lakhs.

We intend to utilize an amount of Rs. 1184.00 lakhs from the net issue proceeds for acquisition of land as well as for payment related to stamp duty payment and registration charges. Any other miscellaneous fees & charges in respect of land acquisition shall be paid from the internal accruals.

We have obtained title search reports for the said land parcels to verify ownership, which confirm that the proposed land sellers hold clear title to the property. Furthermore, as per the Memorandum of Understanding (MOU), the current respective owners have declared that the aforementioned land parcels are free from encumbrances and are not subject to any lien or charge.

As per the project report dated January 07, 2025, prepared by M/s S.N. Rasane & Associates, Chartered Engineers and Government-Approved Valuers, the project land is designated within the 'Yellow Zone' under the existing draft Development Plan of Pune Metropolitan Region Development Authority (PMRDA), permitting industrial development. However, the Company must apply to the office of sub-divisional officer, Maval-Mulshi for the required land use conversion from agricultural to industrial by submitting an application and paying the applicable conversion charges, calculated as a percentage of the Ready Reckoner value.

Our Promoters, Directors, Key Managerial Personnel or Senior Management Personnel do not have any relationship with the proposed sellers.

## Civil Construction work

As per the site plan layout, the new facility will include three factory buildings, labelled A, B and C, with a combined built-up area of approximately 59,046 square feet, along with administration building, stores building and staff quarters. The cost for civil construction includes plan approval cost, architectural charges, site development cost, civil and building work cost as well as electrical work cost.

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

(Rs. In Lakhs)

S. No	Particulars	Amount	GST 18%	Total cost
1	PMRDA Building Plan Approval (Challan)	180.56	0.00	180.56
2	Architectural & Structural Consultancy Charges	51.00	9.18	60.18
3	Civil Work of Industrial Factory – Shed A	67.77	12.20	79.96
4	PEB Work of Industrial Factory – Shed A	262.57	47.26	309.83
5	Fire Fighting Work – Shed A	60.79	10.94	71.73
6	Civil Work of Industrial Factory – Shed B	57.06	10.27	67.33
7	PEB Work of Industrial Factory – Shed B	214.37	38.59	252.96
8	Fire Fighting Work – Shed B	46.39	8.35	54.74
9	Civil Work of Industrial Factory – Shed C	51.71	9.31	61.02
10	PEB Work of Industrial Factory – Shed C	194.28	34.97	229.24
11	Fire Fighting Work – Shed C	42.04	7.57	49.61
12	Site Development work of Factory	436.95	78.65	515.60
13	Electrical work of Factory	76.00	13.68	89.68
14	Civil & Finishing works for Admin Building	630.07	113.41	743.49
15	Civil work of Stores Building	10.41	1.87	12.29
16	PEB work of Stores Building	14.32	2.58	16.90
17	Civil and Finishing work for Staff Quarter	28.50	5.13	33.63
	<b>Total Civil Cost</b>	<b>2424.79</b>	<b>403.96</b>	<b>2828.75</b>

**Notes:**

- The above project cost has been derived from the quotation dated November 06, 2024 obtained from Bhagirath Narayan Constructions, Pimpri, Pune. The quotation has a validity of 3 months period.
- We have considered the above quotation for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- The above quotation received from the vendor is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with such vendor and there can be no assurance that the same vendor would be engaged to eventually initiate the civil construction work.

*Plant & Machinery*

A detailed breakup of estimated cost of plant and machineries which are proposed to be funded from the net issue proceeds is set forth below:

(Rs. In Lakhs)

S. No	Machinery Details	Qty	Quotation details	Quotation Amount	GST @ 18%	Total Amount
1.	Crane 10 Ton Capacity	6	Quotation dated November 26, 2024 from Pentatuff	135.00	23.76	155.76



			Engineering Pvt. Ltd. (quotation valid till 90 days from date of quotation)			
2.	Crane 5 Ton Capacity	12	Quotation dated November 26, 2024 from Pentatuff Engineering Pvt. Ltd. (quotation valid till 90 days from date of quotation)	186.00	28.80	188.80
3.	Industrial robotic arm High Payload (90 kg - 300 kg) (KR 210 R2700-2)	7	Quotation dated December 20, 2024 from Kuka India Pvt. Ltd. (valid till January 19, 2025)	154.00	27.72	181.72
4.	Industrial robotic arm Low Payload (5 kg - 22 kg) (KR 6 R1440-2 arc HW E)	1	Quotation dated December 20, 2024 from Kuka India Pvt. Ltd. (valid till January 19, 2025)	13.00	2.34	15.34
5.	Industrial robotic arm (Motoman Robot Model: AR1440 with accessories)	7	Quotation dated December 31, 2024 from Yaskawa India Private Limited (valid till 15 days from the date of quotation)	74.55	13.42	87.97
6.	Industrial robotic arm (Motoman Robot Model: AR2010 with accessories)	2	Quotation dated December 31, 2024 from Yaskawa India Private Limited (valid till 15 days from the date of quotation)	25.70	4.63	30.33
7.	2 axis positioner – 500 kg	16	Quotation dated December 31, 2024 from Yaskawa India Private Limited (valid till 15 days from the date of quotation)	292.00	52.56	344.56
8.	TransTig 3000 Water cooled Robotic System	4	Quotation dated December 17, 2024 from Fronius India Private Limited (valid till March 31, 2025)	69.41	12.49	108.89
9.	Trans Tig 3000 Water cooled SPM System	1	Quotation dated December 17, 2024 from Fronius India Private Limited (valid till March 31, 2025)	6.19	1.11	9.71
10.	TPS 400i Air cooled Robotic System	5	Quotation dated December 17, 2024 from Fronius India Private Limited (valid till March 31, 2025)	60.30	10.85	94.60
11.	TruLaser 1060 fiber machine (imported from Germany)	1	Quotation dated December 23, 2024 from TRUMPF (India) Pvt Ltd (valid till January 23, 2025)	764.19	228.03@	992.22#
12.	750 kva Diesel generator set (Kirloskar) with installation	1	Quotation dated December 14, 2024 from Accurate Powertech India Pvt. Ltd., Authorised dealer of Kirloskar Oil Engines Ltd.) (valid till January 12, 2025)	73.34	13.20	86.54
<b>Total</b>				<b>1853.68</b>	<b>418.91</b>	<b>2296.44</b>

@ includes basic custom duty and GST

# Landed cost of TruLaser 1060 fiber machine, which will be imported from Germany, has been certified by our Statutory Auditors, GMCS & Co., through their certificate dated December 27, 2024.

**Notes:**

- a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- b) All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- c) We are not acquiring any second-hand machinery.
- d) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation will be addressed through the contingency fund, which has an allocation of Rs. 300 lakhs. In the event of a shortfall in the contingency fund, the additional amount will be met through internal accruals.

**Means of finance of the project**

The total estimated cost for the proposed manufacturing unit is ₹ 6709.19 lakhs. We intend to fund the cost of the project as follows:

*(Rs. In Lakhs)*

Sr. No.	Particulars	Estimated Cost	Funds deployed from internal accruals	To be met from issue proceeds
1	Land	1284.00	100.00	1184.00
2	Civil Construction	2828.75	-	2828.75
3	Plant & Machinery	2296.44	-	2296.44
4	Contingencies	300.00	-	300.00
	<b>Total cost</b>	<b>6709.19</b>	<b>100.00</b>	<b>6609.19</b>

*Proposed schedule of implementation of the Proposed Project*

The proposed schedule of activities in respect of the Proposed Project are as follows:

Particulars	Estimated date of commencement	Estimated date of completion
Procurement of the land, land development work and obtaining of pre-construction approvals	March'25	May'25
Civil & Construction Work	May'25	January'26
Plant and Machinery	December'25	February'26
Trial run	February'26	February'26
Commercial operation	March'26 onwards	

*Government approvals*

In relation to the proposed project, we will require to apply and obtain certain approvals as provided in the table below.

Sr. No.	List of Major Approvals*	Stage at which approvals are required*
1.	Conversion of land usage from agricultural to industrial from the office of sub-divisional officer, Maval-Mulshi	Prior commencement of construction
2.	Approval for the building plans for the proposed factory from PMRDA	Prior commencement of construction
3.	Approval of the factory layout from Directorate of Industrial Safety and Health	Prior commencement of construction
4.	Electricity Board Connection from State Electricity Board	Prior commencement of construction
5.	CTE (Consent to Establishment) from Maharashtra Pollution Control Board	Prior commencement of construction
6.	Fire NOC from Pune metropolitan Regional Development Authority, Pune	Before the installation and commissioning of the machines
7.	Consolidated Consent to operate and authorization from Maharashtra Pollution Control Board	Before the commissioning of the factory operations
8.	Factory License from Directorate of Industrial Safety and Health	Before the commissioning of the factory operations
9.	Building Completion Certificate from PMRDA	Before the commissioning of the factory operations

*As per the Project Report dated 07 January, 2025 issued by M/s S.N. Rasane & Associates, Chartered Engineers and Government-Approved Valuers.*

Power and water - The requirements for the power will be met from the local state electricity board. The requirement for water will be met from external sources.

## **2. Repayment of a portion of certain borrowings availed by our Company**

Our Company has entered into certain financing arrangements from time to time with banks and financial institutions. For Disclosure of our Company's secured and unsecured borrowings as on September 30, 2024, please refer to chapter titled "Statement of Financial Indebtedness" beginning on page 221.

Our Company proposes to utilise an estimated amount of ₹ 1600.00 lakhs towards repayment of Overdraft limit, Dropline Overdraft limit and Fixed Deposit Overdraft limit availed by our Company from ICICI Bank Limited.

Given the nature of the borrowing and the terms of its repayment or pre-payment, the aggregate outstanding amounts under these borrowings shall vary from time to time and our Company shall, in accordance with the relevant repayment schedule, repay or refinance the existing borrowing or avail of additional credit facilities. If at the time of Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down, then our Company may utilise the Net Proceeds for part or full pre-payment / repayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company and details of such borrowings will be included in the Red Herring Prospectus. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or pre-payment of certain of our borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹ 1600.00 lakhs. Further, our Company may pay the prepayment charges, if any, on the loans identified below, out of the portion of Net Proceeds earmarked for this Object. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:

(Rs. In Lakhs)

S. No	Name of the lender	Nature of the borrowing	Sanctioned Amount	Amount Outstanding as at Dec. 20, 2024	Rate of interest (%)	Repayment Schedule	Date/	Purpose for which the loan was sanctioned	Amount to be repaid from the issue proceeds	Prepayment conditions
1.	ICICI Bank Ltd.	Overdraft limit	500.00	466.03	9.25%	On demand		Working Capital	450.00	No condition specified
2.	ICICI Bank Ltd.	Dropline Overdraft limit	506.60	413.33	9.25%	The limit will reduce by Rs. 13.33 lakhs on a monthly basis over a period of 60 months.		Working Capital	350.00	Refer Note 1
3.	ICICI Bank Ltd.	Fixed Deposit Overdraft limit	855.00	855.00	7.75%	On demand		Business purpose	800.00	No condition specified
<b>Total</b>									<b>1600.00</b>	

Note 1: As per the sanction letter dated June 07, 2024 of ICICI Bank, unless specified otherwise in the documents in relation to the Facility, if the Borrower wishes to prepay any part of or whole of the Facility, it may do so with payment of applicable Prepayment Premium on principal amount of the loan being prepaid subject to the Borrower giving at least 15 days prior irrevocable written notice of the same to ICICI Bank.

Note 2: The details included in the above table have been certified by Ajmera & Ajmera, Independent Chartered Accountants, pursuant to their certificate dated January 02, 2025.

Note 3: Our Statutory Auditors by way of their certificate dated December 27, 2024 have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/loan agreements or any other required documents issued by the ICICI Bank.

Our Company has obtained an NOC dated January 04, 2025, from ICICI Bank stating that the bank has no objection to the repayment or prepayment of loans availed by the Company, out of the issue proceeds through its proposed initial public offer.

### 3. General Corporate Purpose

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

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus/ Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs. 10 crores, whichever is less.

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

(Rs. In Lakhs)

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Brokerage and selling commission	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE.

(3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	₹ 10 per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	₹ 10 per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

- (4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹ 10 per valid application (plus applicable taxes)
Sponsor Bank - HDFC Bank Limited	₹ 6 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, other agreements and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- (5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹10 per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-

Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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.

### Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. In Lakhs)

S. No.	Particulars	Estimated Amount to be deployed and utilized in F.Y. 24-25	Estimated Amount to be deployed and utilized in F.Y. 25-26
1.	Repayment of a portion of certain borrowing availed by our Company	-	1600.00
2.	Funding of capital expenditure towards setup of new manufacturing facility	1100.00	5509.19
3.	General Corporate Purpose	[●]	[●]
	<b>Total</b>	[●]	[●]

### Appraisal

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the DRHP, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### Bridge Financing Facilities

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

### Monitoring 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 Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

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

### **Variation in Objects**

In accordance with Section 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 through postal ballot. 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. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel or Senior Management Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel or Senior Management Personnel except in the normal course of business and in compliance with the applicable laws.



## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 27, 126 and 174, respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### QUALITATIVE FACTORS

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

- a) Design and development capabilities;
- b) In-house manufacturing facility with integrated testing capabilities;
- c) Recognition from customers; and
- d) Experienced Promoters with strong management team having domain knowledge

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 126 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 174 of this Draft Red Herring Prospectus.

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

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

As per the Restated Financial Statements:

Sr. No	Financial Year	Basis & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	5.18	3
2.	Financial Year ending March 31, 2023	2.78	2
3.	Financial Year ending March 31, 2022	3.61	1
	<b>Weighted Average</b>	<b>4.12</b>	<b>6</b>
	For 6 months period ended September 30, 2024	<b>4.05</b>	

#### Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

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

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest	102.89
Lowest	102.89
<b>Industry Average</b>	<b>102.89</b>

\*We have mentioned listed peer which falls in the similar line of business as of our Company for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our selected peer i.e. Affordable Robotic & Automation Limited.

**Note:**

- i) The P/E ratio of peers has been computed by dividing Market price as on January 08, 2025 with EPS for the F.Y. 2023-24.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW	Weights
1.	Period ending March 31, 2024	24.41%	3
2.	Period ending March 31, 2023	17.30%	2
3.	Period ending March 31, 2022	27.20%	1
	<b>Weighted Average</b>	<b>22.51%</b>	<b>6</b>
	For 6 months period ended September 30, 2024	<b>16.01%</b>	

**Note:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.  
ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year  
iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

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

Sr. No	NAV Per Equity Share	(Amount in ₹)
1.	As at March 31, 2022	13.27
2.	As at March 31, 2023	16.05
3.	As at March 31, 2024	21.23
4.	As at September 30, 2024	25.28
5.	NAV per Equity Share after the Issue	[●]
6.	Issue Price	[●]

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

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.  
ii. NAV per share=Restated Net worth at the end of the year divided by weighted average number of equity shares outstanding at the end of the year

- iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

## 5. Comparison of Accounting Ratios with Industry Peers

(₹ In lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS (Basic/Diluted)	PE	RoNW (%)	Book Value (₹)	Total Revenue (₹ In lakhs)
Patil Automation Limited	[●]	10.00	5.18	[●]	24.41%	21.23	11527.96
<b>Peer Group</b>							
Affordable Robotic & Automation Limited*	647.20	10.00	6.29	102.89	5.71%	100.13	16309.93

\* We have mentioned listed peer which falls in the similar line of business as of our Company for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our selected peer i.e. Affordable Robotic & Automation Limited.

### Notes:

- (i) Source – All the financial information for listed industry peer mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2024 and stock exchange data dated January 08, 2025 to compute the corresponding financial ratios.
- (ii) For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- (iii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2023-24.
- (iv) NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2024.
- (v) RoNW has been computed as net profit after tax divided by closing net worth.
- (vi) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vii) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

## 6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 27, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by our Statutory Auditors, by their certificate dated December 27, 2024

The KPIs of our Company have been disclosed in the sections titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 126 and 223 respectively. We have described and defined the KPIs as applicable in “**Definitions and Abbreviations**” on page 1 of this DRHP.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the

Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**Key performance indicators of our Company:**

*(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	Apr.'24 to September'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	5,835.38	11,527.96	7,780.75	9,416.29
EBITDA <sup>(2)</sup>	825.03	1,244.37	458.65	781.85
EBITDA Margin <sup>(3)</sup>	14.14%	10.79%	5.89%	8.30%
PAT <sup>(4)</sup>	612.13	783.72	419.84	545.91
PAT Margin <sup>(5)</sup>	10.49%	6.80%	5.40%	5.80%
RoE(%) <sup>(6)</sup>	17.41%	27.81%	18.94%	31.48%
RoCE (%) <sup>(7)</sup>	16.90%	24.52%	12.60%	24.01%

**Notes:**

<sup>(1)</sup>Revenue from operation means revenue from sale of products & services and other operating revenues

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

<sup>(3)</sup>'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

**Explanation for KPI metrics:**

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.

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

*(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	Patil Automation Limited				Affordable Robotic & Automation Limited			
	Apr.'24-Sept.'24	FY 2023-24	FY 2022-23	FY 2021-22	Apr.'24-Sept.'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	5,835.38	11,527.96	7,780.75	9,416.29	4,372.29	16309.9	11378.7	8109.75
EBITDA <sup>(2)</sup>	825.03	1,244.37	458.65	781.85	-977.89	1355.83	658.1	541.7
EBITDA Margin (%) <sup>(3)</sup>	14.14%	10.79%	5.89%	8.30%	-22.37%	8.31%	5.78%	6.68%
PAT <sup>(4)</sup>	612.13	783.72	419.84	545.91	-1228.50	642.75	216.13	236.92

Key Financial Performance	Patil Automation Limited				Affordable Robotic & Automation Limited			
	Apr.'24-Sept.'24	FY 2023-24	FY 2022-23	FY 2021-22	Apr.'24-Sept.'24	FY 2023-24	FY 2022-23	FY 2021-22
PAT Margin (%) <sup>(5)</sup>	10.49%	6.80%	5.40%	5.80%	-28.10%	3.94%	1.90%	2.92%
RoE (%) <sup>(6)</sup>	17.41%	27.81%	18.94%	31.48%	-11.54%	7.47%	3.83%	4.78%
RoCE (%) <sup>(7)</sup>	16.90%	24.52%	12.60%	24.01%	-6.94%	6.88%	5.51%	4.95%

Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings+ deferred tax liability (net).

## 8. Weighted average cost of acquisition

- a) Price per share of our Company (as adjusted for corporate actions, including split) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the eighteen months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)

The details of such Primary Issuances made by our Company is mentioned below:

Date of Allotment	No. of equity Shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
December 25, 2024	9,00,000	112.50	Preferential Issue	Cash	1012.50

- b) Price per share of our Company (as adjusted for corporate actions, including split) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, members of the Promoter Group, Selling Shareholder, or Shareholder(s) having the right to nominate Director(s) on our Board during the eighteen months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)

There have been no Secondary Transactions of the Equity Shares or convertible securities of our Company during the eighteen months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and the Cap Price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary issuance	112.50	[●]	[●]
Weighted average cost of acquisition of secondary transactions	N.A.	N.A.	N.A.

\* To be updated at Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and all edition of [●], a regional newspaper each with wide circulation where the registered office of the company is situated.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with “**Our Business**”, “**Risk Factors**” and “**Restated Financial Statements**” on pages 126, 27 and 174 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors**

**Patil Automation Limited**

Gat No. 154, Behind GE Company Phase-II,  
Sudumbare, Tal. Maval, Dist. Pune  
Maharashtra, India, 412109

**Re: Statement of Possible Special Tax Benefit ('the Statement') available to Patil Automation Limited and its shareholders prepared in accordance with the requirements under Schedule VI - Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by **Patil Automation Limited** ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits depends upon fulfilling such conditions, which are based on the business imperatives the company may or may not choose to fulfil.

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. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence it is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor advising the investor whether to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any event subsequent to its issue, which may have a material effect on the discussions 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 of the benefits, where applicable have been/would be met.

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.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to the Company for 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. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus or any other issue related material 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 prior written consent. Signed in terms of our separate report of even date.

## **Annexure to the statement of possible Tax Benefits**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961, presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have 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.**

### **1. Special Tax Benefits available to the Company under the Act:**

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

### **2. Special Tax Benefits available to the shareholders of the Company**

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.

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 updating the views consequent to such changes. We do not assume responsibility to updating 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.

Signed in terms of our separate report of even date.

Yours faithfully,  
**For GMCS & Co**  
**Chartered Accountants**  
**Firm Registration No. 141236W**

Sd/-

**Amit Bansal**  
**Partner**  
**Membership No. 424232**  
**UDIN:24424232BKCXHM4205**  
**Place: Mumbai**  
**Date: 11-12-2024**



## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled 'Industry Report for Indian Automation Solutions Industry' dated December 23, 2024 (the "D&B Report") prepared and issued by Dun & Bradstreet Information Services India Private Limited ("D&B"), which has been commissioned by and paid for by our Company exclusively in connection with the Issue for the purposes of confirming our understanding of the industry in which we operate. Neither we, nor the BRLM, nor any other person connected with the Issue has independently verified any third-party statistical, financial and other industry information in the D&B Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year, refers to such information for the relevant year. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the D&B Report, see "Risk Factors – Internal Risks – Certain sections of this Draft Red Herring Prospectus disclose information from industry report commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 45. The D&B Report will form part of the material documents for inspection and will be available on the website of our Company at [www.patilautomation.com/](http://www.patilautomation.com/) from the date of filing of this Draft Red Herring Prospectus until the Issue Closing Date.*

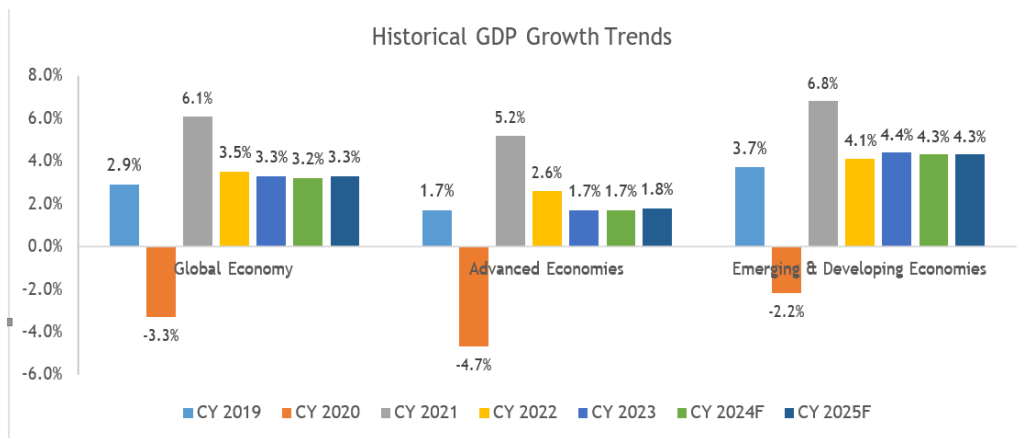
### **GLOBAL OVERVIEW**

The global economy, which grew by 3.3% in 2023, is expected to record a sluggish growth of 3.2% in 2024 before rising modestly to 3.3% in 2025. Between 2021-2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

Global headline inflation is set to fall from an estimated 6.8% in CY 2023 to 5.8% in CY 2024 and to 4.4% in CY 2025. This fall is swifter than anticipated across various areas, amid the resolution of supply-related problems and tight monetary policies. Reduced inflation mirrors the diminishing impact of price shocks, particularly in energy, and their subsequent influence on core inflation. This decrease also stems from a relaxation in labour market pressure, characterized by fewer job openings, a slight uptick in unemployment, and increased labour availability, occasionally due to a significant influx of immigrants.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades, seen in 2022, which forced most of the Central banks to tighten their fiscal policies. Russia's invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living.

Further, despite initial resilience earlier in 2023, marked by a rebound in reopening and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity lagged its pre-pandemic trajectory, particularly in emerging markets and developing economies, leading to widening disparities among regions. Numerous factors are impeding the recovery, including the lasting impacts of the pandemic and geopolitical tensions, as well as cyclically driven factors such as tightening monetary policies to combat inflation, the reduction of fiscal support amidst high debt levels, and the occurrence of extreme weather conditions. As a result, global growth declined from 3.5% in CY 2022 to 3.3% in CY 2023.



Source – IMF Global GDP Forecast Release July 2024

*Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)*

Slow growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record a flat growth of 3.2% in CY 2024. The crises in the housing sector, bank lending and industrial sectors are affecting the of global GDP. Inflation forced central banks to adopt tight monetary policies. After touching the peak in 2022, inflationary pressures slowly eased out in 2023. This environment weighs in for interest rate cuts by many monetary authorities.

#### Key factors impacting global macroeconomic landscape

Several key factors influence the global macroeconomic landscape, shaping economic trends and policies worldwide. These include:

**Monetary Policy:** Central banks' actions regarding interest rates and money supply management (e.g., Federal Reserve, European Central Bank) impact inflation, investment, and consumption. Tightening or loosening monetary policies can either stimulate or slow down economies globally.

**Fiscal Policy:** Government spending and taxation policies affect aggregate demand, budget deficits, and public debt levels. Expansionary fiscal policies (e.g., stimulus packages) can boost economies, while austerity measures can dampen growth.

**Geopolitical Events:** Political instability, wars, trade disputes, and sanctions (e.g., Russia-Ukraine conflict, U.S.-China trade tensions) disrupt global trade, supply chains, and capital flows, leading to uncertainty and market volatility.

**Inflationary Pressures:** Rising energy and commodity prices, supply chain bottlenecks, and labor shortages lead to higher inflation. Central banks may respond with interest rate hikes, influencing borrowing costs and consumer spending globally.

**Global Trade and Supply Chains:** Trade agreements, tariffs, and disruptions (like the COVID-19 pandemic or geopolitical conflicts) can affect global supply chains, impacting production, trade flows, and prices.

**Technological Innovation:** Technological advancements, such as automation, artificial intelligence, and digitalization, impact productivity, employment, and economic growth patterns globally. They also shape industry competitiveness and job markets.

**Climate Change and Environmental Policy:** The transition to green energy, carbon regulations, and climate change adaptation affect industries, investment flows, and government policies. Global commitments to reduce emissions influence sectors like energy, manufacturing, and transportation.

**Demographic Shifts:** Aging populations in developed economies (e.g., Japan, Europe) and growing working-age populations in emerging markets affect labor force dynamics, social spending, and economic growth trends.

**Global Debt Levels:** Rising public and private debt, exacerbated by the COVID-19 pandemic and high borrowing during low interest-rate periods, poses risks to financial stability. High debt levels can limit governments' ability to respond to future crises.

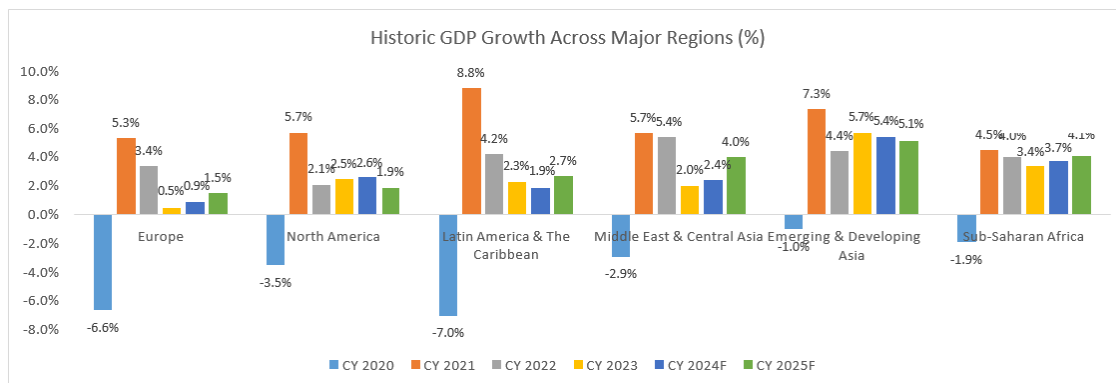
**Commodity Prices:** Oil, natural gas, metals, and agricultural commodity price fluctuations significantly impact economies, especially those dependent on resource exports. Energy crises and price shocks (e.g., due to geopolitical instability) affect inflation and growth.

**Pandemics and Health Crises:** Global health crises like the COVID-19 pandemic cause widespread economic disruption, affecting labor markets, travel, and consumption patterns, while forcing governments to rethink healthcare and social support systems.

**Globalization vs. Regionalization:** The balance between global integration and regional economic blocs (e.g., the EU, ASEAN) affects trade policies, foreign investments, and economic interdependence.

**Growth Forecast: Global and Regional**

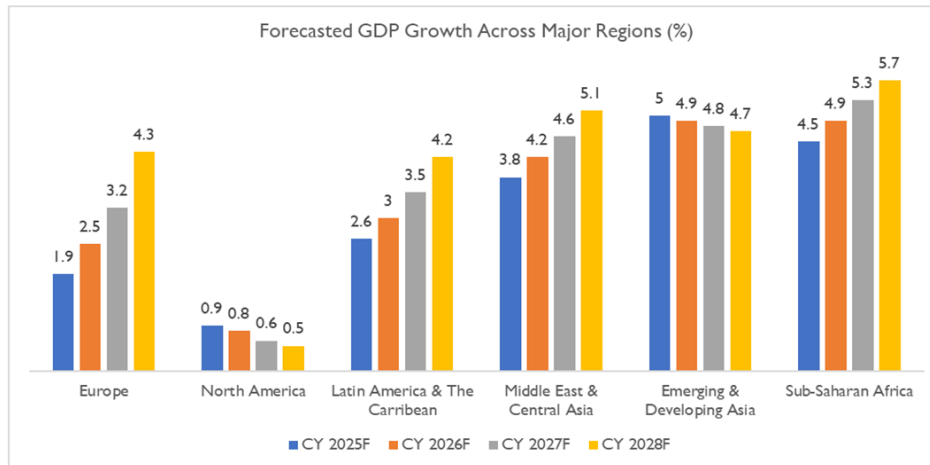
GDP growth of major regions including Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia etc.) is expected to decrease from 5.4% in CY 2023 to 5.2% in CY 2024, while in the United States, it is expected to decrease from 2.5% in CY 2023 to 2.1% in CY 2024.



Source- IMF World Economic Outlook July 2024 update

Except for Emerging and Developing Asia, Latin America & The Caribbean and the United States, all other regions are expected to record an increase in GDP growth rate in CY 2024 as compared to CY 2023. GDP growth in Latin America & The Caribbean is expected to decline due to negative growth in Argentina. Further, growth in the United States is expected to come down at 2.1% in CY 2024 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand.

Although Europe experienced a less robust performance in 2023, the recovery in 2024 is expected to be driven by increased household consumption as the impact of energy price shocks diminishes and inflation decreases, thereby bolstering real income growth. Meanwhile, India and China saw greater-than- anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.



Source-IMF, OECD, and World Bank, D&B Estimate

At the midpoint of the year, so far in 2024 we have seen divergence in outcomes and prospects around the world in terms of economic growth, inflation, and policy responses. On balance, global short-term economic prospects have improved over the course of the year. We expect this momentum to continue through the second half of 2024 and into 2025 as inflation eases further and monetary policy continues to loosen, supporting steady growth. Macroeconomic risks, in our view, have become more balanced.

Globally, industrial production has been relatively sluggish because of restrictive trade policies, persistent supply chain disruptions, high interest rates, and anemic growth. We expect industrial production to gather steam later this year and into 2025 on the back of a gradual recovery in global trade, stimulated by stronger domestic demand for goods.

Policy responses have diverged so far this year and are set to remain so in the near term. Central banks have begun rate cutting cycles in several developed economies, including the Eurozone, Canada, Sweden, and Switzerland. However not every economy has followed suit. Disinflation has not been as predictable as it was in 2023, and underlying price pressures mean inflation is likely to remain bumpy this year – hence, policy will remain more restrictive than was anticipated at the start of the year. With relatively stronger economic growth and stickier inflation, the timing of the first interest rate cut by the U.S. Federal Reserve (the Fed) and the onward path of interest rates remains ambiguous.

The global economy is showing signs of stabilizing, yet growth will remain subdued this year before picking up pace in 2025. We forecast global growth of around 2.5% in 2024, half a percentage point softer than in the decade following the financial crisis. The weaker outlook reflects fiscal consolidation, lagged tight monetary policy, restrictive trade policies, and elevated levels of geopolitical uncertainty. Looking ahead to 2025, global growth is likely to pick up slightly to 2.8% as the impact of these factors declines and stronger growth becomes more entrenched.

Emerging economies look set for softer growth in general this year. On a regional basis, growth is likely to be markedly slower in Eastern Europe, but only slightly softer in Asia Pacific and Latin America, with growth only moderately slower in key economies such as the Chinese Mainland, India, and Brazil. Outcomes in developed economies are also mixed but largely remain subdued because of tight policy settings.

## INDIAN ECONOMY

India’s economy showed resilience with GDP growing at 8.2% in CY 2023. The GDP growth in CY 2023 represents a return to pre-pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (CY 2023)	Projected GDP Growth (CY 2024)	Projected GDP Growth (CY 2025)
India	8.20%	7.00%	6.50%
China	5.20%	5.00%	4.50%
Russia	3.60%	3.20%	1.50%

Brazil	2.90%	2.10%	2.40%
United States	2.50%	2.60%	1.90%
Japan	1.90%	0.70%	1.00%
Canada	1.20%	1.30%	2.40%
Italy	0.90%	0.70%	0.90%
France	1.10%	0.90%	1.30%
South Africa	0.70%	0.90%	1.20%
United Kingdom	0.10%	0.70%	1.50%
Germany	-0.20%	0.20%	1.30%

Source: World Economic Outlook, July 2024, Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South), Countries have been arranged in descending order of GDP growth in 2023).

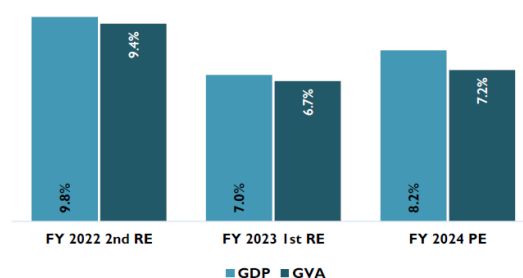
This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes

There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of the central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of INR 10 trillion in the Union Budget 2023-2024. The announcement also included a 30% increase in financial assistance to states at INR 1.3 trillion for capex. The improvement was accentuated further as the Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at INR 11.11 trillion, constituting 3.4% of the GDP. This has provided much-needed confidence to the private sector, and in turn, attracted private investment.

On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from the corporate sector to fund the next round of expansion plans. The banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to the micro, small, and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the fiscal year 2024 grew by 14% to INR 10.31 trillion compared to INR 9.02 trillion as on 24 March 2023. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.

Growth Trend (Constant 2011-12 Prices)



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24

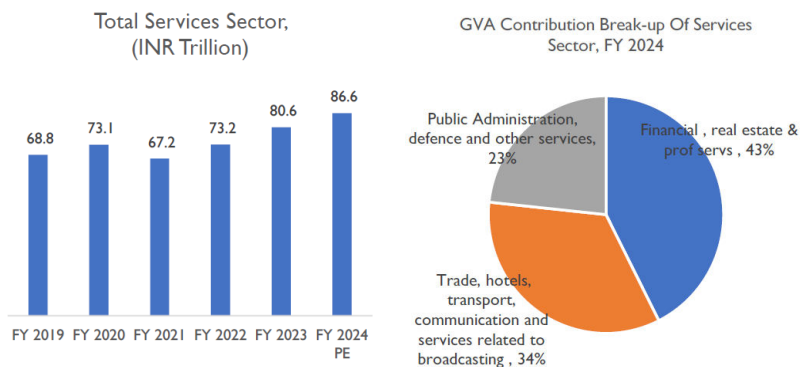


Source- Ministry of Statistics & Programme Implementation (MOSPI)

Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.1%, 9.9% and 9.9% in FY 2024 against a y-o-y change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against 9.44% in the previous years.

### Expansion in Service Sector

Services sector is a major contributor to the country's overall economic growth. In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the provisional estimated), registering a CAGR of nearly 5%. Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services observed 4.5% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24.



Source: MOSPI, CMIE Economic Outlook and Dun & Bradstreet Research Estimates.

## Key growth/demographic drivers for economic growth

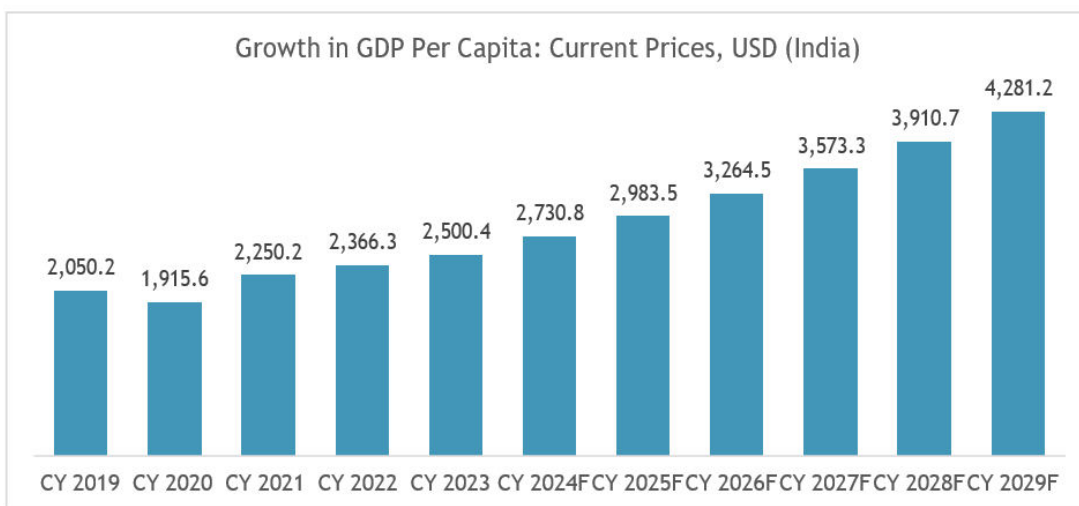
### Strong Domestic Demand

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by COVID-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. PFCE as a percentage of GDP increased to 58% during FY 2022 and FY 2023 while in FY 2024 it settled at 56%. There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power. As per National Statistics Office (NSO), India's per capita net national income (at constant prices) stood at INR 106,744 in FY 2024 against INR 99,404 in FY 2023 and INR 87,586 in FY 2018. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fueled by this growth in per capita income.

## India's Per capita GDP trends

India is poised to become the world's third-largest economy with a projected GDP of USD 5 trillion within the next three years, driven by ongoing reforms. As one of the fastest-growing major economies, India currently holds the position of the fifth-largest economy globally, following the US, China, Japan, and Germany. By 2027-28, it is anticipated that India will surpass both Germany and Japan, reaching the third-largest spot. This growth is bolstered by a surge in foreign investments and a wave of new trade agreements with India's burgeoning market of 1.4 billion people. The aviation industry is witnessing unprecedented orders, global electronics manufacturers are expanding their production capabilities, and suppliers traditionally concentrated in southern China's manufacturing hubs are now shifting towards India.

To achieve its vision of becoming the world's third-largest economy by 2027-28, India will need to implement transformative industrial and governmental policies. These policies will be crucial for sustaining the consistent growth of the nation's per capita GDP over the long term.



Source: IMF

From CY 2024-29, India's per capita GDP is projected to grow at a compound annual growth rate of 9.4%. This growth will be driven by the service sector, which now accounts for over 50% of India's GDP, marking a significant shift from agriculture to services.

## Digitization Reforms

Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI (Unified Payments Interface), Aadhaar based benefit transfer programs, and streamlining of GST (Goods and Services Tax) collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favorable demographic pattern (with higher percentage of tech savvy youth population) and India's strong IT (Information Technology) sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

Increased adoption of digital technology and innovation, inclusive and sustainable practices, business- friendly and transparent regulations, and heightened corporate research and development (R&D) investments will further bolster the country's growth. These factors will collectively support employment growth across both private and public sectors, including Micro, Small, and medium enterprises (MSMEs).

## **AUTOMATION SOLUTION INDUSTRY**

The global manufacturing industry is evolving rapidly, as it integrates the latest technologies and processes. The last few decades were characterized by increasing use of machines in factories, which slowly replaced manual labor. In several advanced economies, core manufacturing sectors are fully automated with industrial robots carrying out most of the production process. Human intervention is limited to supervisory and monitoring roles.

Developments like integrated systems, manufacturing automation, applications of enterprise resource planning tools, and such techniques have become the norm in manufacturing plants. Although developing economies like India are yet to fully adopt these practices, the gulf that existed between factories in developed economies and developing economies is gradually coming down.

These changes were shaped not only by technological breakthroughs – although this could be termed as an integral factor. Changes in global business models, especially the onset of globalization and free trade, too played a role. Free market regime and lifting of trade barriers made the movement of goods and services easier, hence opening additional markets. The changes in global industrial regime made previously existing geographical restrictions irrelevant.

These developments made it easier for companies to go beyond their home market and compete in foreign markets. However, the changes that created opportunities have also changed the nature of competition. The competition for a company is no longer limited to its peers in the same geography, but include companies operating in the foreign market, as the world transformed into a single market. Modernization of the manufacturing process and incorporation of latest technologies became a norm rather than an exception to stay relevant and successfully ward of competition. Additionally, companies began to focus more on improving efficiency and reducing cost to stay nimble and competitive.

All these changes meant industrial processes, equipment, and machines are monitored on a far more regular basis, often round the clock. This is most evident in developed economies, where industrial automation and monitoring has become an integral part of the manufacturing eco-system. These aspects are yet to become a norm in Indian as well as other developing economies and is currently limited to large manufacturing plants. However, sooner or later Indian manufacturing sector too would wake up to the importance of industrial monitoring and control and embrace the concept fully.

Industrial automation has become a driving force behind economic transformation, reshaping industries, and economies worldwide. Increasing focus on process efficiency, waste reduction, and cost optimization are forcing Indian manufacturing sector to reinvent themselves. With advancements in technology and the adoption of automation solutions, industries across various sectors are experiencing increased efficiency, productivity, and competitiveness. In the context of the Indian economy, industrial automation is playing a crucial role in accelerating growth, and opportunities. Indian manufacturing sector, primarily the organized segment consisting of large and established players, is eagerly adopting technological solutions. The level of automation and technology adoption in the Indian manufacturing sector is witnessing a steady growth.

These days a wide range of industrial automation tools such as Programmable Logic Controller (PLC), Supervisory Control and Data Acquisition (SCADA), Human Machine Interface (HMI), Artificial Neural Network (ANN), Distributed Control System (DCS), assembly line automation, Welding Automation and Robotics are being used by industrial sector to boost productivity and cut costs.

### **Industrial Automation Application in Automotive Sector**

Industrial automation has become a cornerstone of the automotive sector, revolutionizing production efficiency, precision, and scalability. The journey of industrial automation in the automotive sector began in the early 20th century with Henry Ford's introduction of the assembly line for mass production. This marked the initial shift towards mechanized systems to improve production speed and consistency. Over the decades, automation technologies evolved from simple mechanical aids to sophisticated electromechanical systems. The 1950s saw the emergence of programmable logic controllers (PLCs), enabling greater control over machinery operations. The advent of computer numerical control (CNC) in the 1970s further enhanced precision and flexibility in manufacturing processes. By the 1980s and 1990s, the integration of robotics became prevalent, especially in tasks requiring high precision and



repeatability, such as welding and painting. The introduction of sensors, machine vision, and early AI algorithms in the late 1990s and early 2000s paved the way for smarter and more adaptive automation systems.

### **Key Milestones in Automotive Automation**

- **1913:** Introduction of the moving assembly line by Henry Ford, reducing production time significantly.
- **1954:** Deployment of the first industrial robot, “Uniate,” in General Motors’ manufacturing plant.
- **1970s:** Widespread adoption of CNC machines, enhancing precision in automotive manufacturing.
- **1980s:** Integration of robotic welding and painting systems in assembly lines.
- **1990s:** Emergence of machine vision and sensors for quality inspection and adaptive manufacturing.
- **2010s:** Introduction of collaborative robots and AI-driven predictive maintenance tools.
- **2020s:** Rapid adoption of IoT and edge computing in manufacturing processes, enabling real-time monitoring and optimization.

### **Shifts from Manual Labor to Robotic and AI-driven Systems**

The transition from manual labor to automated systems in the automotive sector has been transformative. Initially, automation served as a support to human workers, handling repetitive or hazardous tasks. However, with advancements in robotics and artificial intelligence, automation systems have moved towards complete autonomy in various production stages. Robotic arms now dominate welding lines, ensuring consistent and precise welds with minimal human intervention. Conveyor systems have evolved to integrate smart controls and IoT devices, optimizing material flow and reducing bottlenecks. Assembly lines, which once relied on human dexterity, are now equipped with robots capable of performing intricate tasks with high precision. Special-purpose machinery, designed for specific manufacturing needs, incorporates AI-driven diagnostics and predictive maintenance, reducing downtime and improving overall productivity.

The latest shift involves collaborative robots (cobots) and AI-enhanced systems that work alongside human operators. These systems leverage machine learning algorithms to adapt to changing production requirements and improve efficiency in real-time. Today, clients are demanding more tailored automation systems which expands the automation solution scope in application in bespoke assembly lines, specialized machinery for handling new materials besides welding lines, conveyor systems. Below is a comprehensive exploration of this domain. This includes and the integration of legacy systems.

### **Welding Application in Automobile Industry**

The welding process, a part of metal fabrication process, forms the backbone of the manufacturing sector which account for approximately 17% of India’s GDP. Welding process is critical for many manufacturing processes where the welding quality has a direct impact on the quality of the final product. Design / specification of the product to be fabricated is provided by the customer, and fabrication companies majorly focus only on the operational part of executing the fabrication work as per the supplied designs. Depending upon the product, a wide range of metals – both common as well as exotic – is used for fabrication. Steel and aluminum are two major input materials used in fabrication industries.

Metal fabrication facilities (also referred to as fab shops) are often run by independent contractors, Original Equipment Manufacturers and Value-Added Resellers. In the metal fabrication industry, the welding process can be segmented into manual and robotic systems, each serving distinct roles across various industries.

**Manual Welding Systems:** Encompasses techniques where human operators control the welding process. Key methods include the following:

- **Manual Metal Arc Welding (MMAW):** Also known as Shielded Metal Arc Welding (SMAW), this method uses a consumable electrode coated in flux to lay the weld.

- **Manual Metal Inert Gas (MIG) Welding:** Utilizes a continuous solid wire electrode fed through a welding gun, protected by an inert gas shield.
- **Manual Tungsten Inert Gas (TIG) Welding:** Employs a non-consumable tungsten electrode to produce the weld, with a separate filler material if needed.
- **Manual Spot Welding:** Involves joining two metal surfaces by applying pressure and heat from an electric current to the weld area.

These manual systems are prevalent in sectors such as construction, automotive repair, and small-scale manufacturing, where flexibility and human expertise are essential.

### **Welding automation in the Automobile Sector**

Welding automation has played a pivotal role in the automotive industry, enabling the industry to manufacture reliable, fuel-efficient and environment friendly vehicles in volume. Welding process is critical in getting a strong, and durable connections between various metal components, such as the vehicle's body, frame, and suspension system. From assembly lines to repair shops, welding technologies are evolving and increasingly automated to meet the growing demands of the automotive industry.

**Robotic Welding Systems:** Robotic welding integrates automated machinery to perform welding tasks with precision and efficiency. Key components include:

- **Robotic Arms:** Programmable mechanical arms equipped with welding tools, capable of performing complex welds with high accuracy.
- **Automated Guided Vehicles (AGVs):** Mobile robots that transport materials and components within manufacturing facilities, enhancing workflow efficiency.

The adoption of robotic welding systems is accelerating in industries such as automotive manufacturing, heavy engineering, and large-scale fabrication. These systems offer advantages like consistent weld quality, increased production speed, and reduced labor costs.

### **Product Overview of Welding fixtures**

**Welding Fixtures:** Welding fixtures are essential for holding and positioning components during welding to ensure precision and consistency. Indian companies provide various types of welding fixtures:

- **Manual Welding Fixtures:** Designed for manual operations, these fixtures support processes like MIG, TIG, and spot welding. For instance, Cyclotron Automation specializes in manufacturing manual welding fixtures tailored for automotive and construction industries.
- **Robotic Welding Fixtures:** These fixtures are integrated with robotic systems to facilitate automated welding processes. Companies like Dran Engineers offer robotic welding fixtures suitable for two-wheeler, three-wheeler, and BIW (Body-in-White) welding lines.

### **Industrial Automation Application in Conveyor Systems**

Conveyor systems form the backbone of material handling in automotive manufacturing. They ensure the seamless movement of parts and components across various production stages. With the evolution of automation, conveyor systems have transitioned from basic mechanical belts to smart, IoT-enabled systems that enhance operational efficiency and adaptability.

**Historical Development:** Earlier conveyor systems were mechanical and required manual oversight for operation. Over the time, advancements in motor technology and control systems introduced automation to conveyors, enabling continuous and precise movement of materials. The incorporation of sensors and PLCs further streamlined operations, reducing human intervention.

**Modern Applications:** Today’s automated conveyor lines are equipped with IoT devices that provide real-time tracking and diagnostics. They are designed to handle diverse materials with minimal downtime. In automotive plants, these conveyors facilitate just-in-time (JIT) production by synchronizing with other automated systems, ensuring optimal workflow, and reducing inventory costs.

### Industrial Automation Application in Assembly Lines

Assembly lines have undergone significant automation to meet the high demands of the automotive sector. Automation in assembly lines ensures consistency, speed, and precision, enabling manufacturers to produce high-quality vehicles efficiently.

**Historical Development:** The concept of assembly lines revolutionized production with Henry Ford’s moving assembly line. Initially, these lines relied heavily on manual labour, with workers performing repetitive tasks. The integration of automation began with mechanized systems and evolved to include robots and AI-driven systems.

**Modern Applications:** Automated assembly lines now use robotic arms, vision systems, and AI algorithms to perform tasks such as component fitting, quality inspection, and error detection. These systems are particularly effective in tasks requiring high precision, such as engine assembly and electronic component installation. Collaborative robots (cobots) are also being used to work alongside humans, enhancing efficiency and reducing workplace injuries.

### Industrial Automation Application in Special Purpose Machinery

Special-purpose machinery (SPM) caters to the unique requirements of automotive manufacturing. These machines are designed for specific tasks, such as machining, testing, and packaging, and play a critical role in enhancing production efficiency and quality.

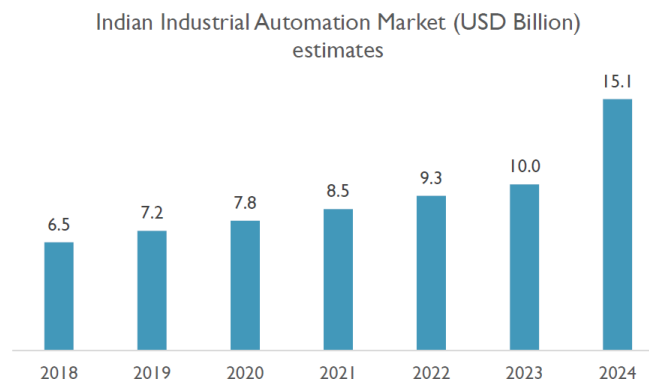
**Historical Development:** SPMs have evolved from manually operated equipment to highly sophisticated automated systems. Early machines were mechanical and required significant human intervention. The introduction of CNC and PLC technologies in the 1970s marked the beginning of automation in SPMs.

**Modern Applications:** Today’s SPMs are integrated with robotics, IoT, and AI to perform complex tasks with minimal human involvement. For example, automated testing machines are used to inspect components for defects, while robotic cells are employed for machining intricate parts. These systems offer benefits such as reduced cycle times, improved accuracy, and lower operational costs.

Industrial automation continues to evolve, with advancements in AI, machine learning, and digital twins poised to redefine the automotive manufacturing landscape. These technologies promise even greater levels of efficiency, customization, and sustainability, ensuring the sector remains at the forefront of industrial innovation.

### Market turnover growth of the Indian Industrial automation solutions industry

Indian manufacturing sector is steadily embracing transforming technologies and automation. The current Government is increasing its focus on manufacturing, through the launch of flagship programs like Make in India, to increase the share of manufacturing GDP. This has entailed huge investment in terms of technology upgradation as well as automation.



Sources: Dun & Bradstreet Desk Research<sup>3</sup>

<sup>3</sup> Based insight published by leading Market Research agencies.

The Indian industrial automation market experienced a steady growth from 2018 to 2023, driven by the increasing adoption of advanced technologies across manufacturing sectors. Starting at approximately USD 6.5 billion in 2018, the market grew to USD 13 billion in 2023, reflecting a CAGR of around 15%. This growth was fueled by rising demand for efficiency, precision, and scalability in manufacturing processes, alongside government initiatives like Make in India that encouraged technology-driven investments. Despite challenges such as the global pandemic, the industry demonstrated resilience, with accelerated adoption of automation solutions post-2020 to address labor shortages and enhance productivity.

The growth in Industrial Automation Equipment's appears to be robust in India. The increasing focus on the Government to improve the manufacturing infrastructure in India, through the flagship Make in India program, Industry 4.0 and most recently PLI scheme and Atma Nirbhar is playing a pivotal role. The regulatory changes and policy measures that are being implemented as part of the program are attracting multinational companies.

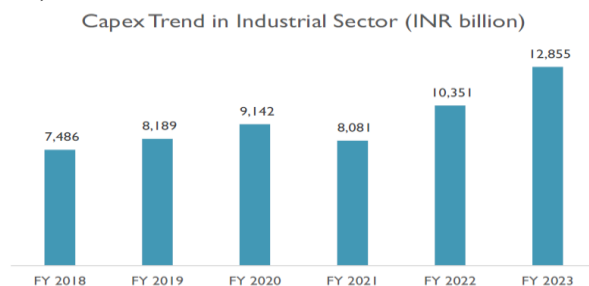
### Key Demand Drivers

The manufacturing sector is undergoing a transition, as the industry shift to the new Industry 4.0 norm. Dubbed the new industry revolution, the focus here is on improving efficiency as well as pace of activity. Automation of process has become central to this new norm. Factory automation which utilizes welding, automated assembly line and robotic solution is the hallmark of Industry 4.0. This shift has resulted in higher demand for industrial robots, data collection & analysis tools, as well as other smart industry platforms.

In a bid to become competitive and be on par with global peers, industrial sector in India is witnessing an increasing focus on operational optimization and cost control. Process control and automation helps in identifying areas of improvement as it measures and controls manufacturing processes. With growing manpower costs, the focus on operational optimization has increased leading to a demand growth of various automation including assembly line automation and welding automation. Robust economic growth during a major part of the past decade has resulted in increased pace of growth in industrialization.

The Indian industrial automation industry is driven by several key factors, which are propelling growth and adoption across various sectors:

**Manufacturing Sector Growth:** The Indian government's "Make in India" initiative aims to boost local manufacturing, making it a strong driver for automation. Industries like automotive, electronics, and consumer goods are increasingly adopting automated systems to meet production demands, enhance productivity, and maintain quality standards. The capex in industrial sector measured in terms of GFCF has observed 11% CAGR growth, increasing from INR 7,486 billion to INR 12,855 billion.



Sources: National Account Statistic 2024

The China Plus One strategy is an approach adopted by companies and countries to diversify their supply chains away from excessive reliance on China as a manufacturing and sourcing hub. The strategy emerged as a response to various factors, including rising labour costs in China, geopolitical tensions, trade uncertainties, and the need to mitigate risks associated with being overly dependent on a single country for production and sourcing. India, being one of the largest economies in the world and home to a vast workforce and diverse manufacturing capabilities, has been actively leveraging the China Plus One strategy to attract investments and businesses looking to diversify their supply chains away from China.

**Labor Cost and Availability:** Rising labor costs and a skilled labor shortage for repetitive or hazardous jobs are prompting industries to consider automation as a cost-effective and efficient solution. Automation ensures consistent performance without the fluctuations that can arise from human labor availability.

**Technological Advancements in Automation:** The integration of advanced technologies, including automation and Industry 4.0 initiatives, is revolutionizing India's manufacturing landscape. As companies increasingly adopt these technologies to enhance production efficiency, there is a pressing need for modern production facilities that can support sophisticated processes. With the advent of Industry 4.0, new technologies such as the Industrial Internet of Things (IIoT), artificial intelligence, robotics, and data analytics are becoming more accessible and affordable. These technologies enable better process optimization, predictive maintenance, and real-time monitoring, attracting investments in automation. This shift necessitates substantial investments in upgrading existing infrastructure and developing new industrial spaces, that cater to the needs of high-tech manufacturing operations.

**Quality and Safety Requirements:** Stringent quality standards and the need for workplace safety encourage industries to adopt automation solutions. Automated systems ensure consistent product quality and minimize human involvement in dangerous environments, thus reducing workplace accidents.

**Energy Efficiency and Sustainability:** Automation allows for more efficient energy management and resource optimization. In industries such as manufacturing, energy consumption can be monitored and reduced through automation, aligning with sustainable practices, and helping companies meet their energy efficiency targets.

**Rapid Urbanization and Infrastructure Development:** Infrastructure growth, especially in construction, transport, and smart cities, is increasing the demand for automated machinery and robotics to speed up projects and improve safety. Automated systems and equipment are vital to support the scale of operations needed for large infrastructure projects. Infrastructure Development: The Indian government's massive investments in infrastructure, including highways, ports, railways, and power grids, create an enabling environment for industrial growth. Improved logistics and connectivity enhance the operational efficiency of industrial zones, making them more attractive to businesses. As these infrastructure developments progress, they lead to increased demand for new manufacturing units and warehouses, driving a corresponding rise in automation solution that supports its operation.

**Demand for High-Quality, Customized Products:** With the rise in disposable income and changing consumer preferences, there is an increased demand for high-quality, customized goods. Automation in production lines helps meet this demand by allowing for mass customization without compromising efficiency.

**Foreign Investments and Strategic Partnerships:** Increased foreign direct investments and partnerships with international automation companies bring in advanced automation solutions. Multinational corporations often have global automation standards and bring their expertise to Indian operations, driving automation adoption.

**Rising Domestic Consumption:** The growth of India's middle class, which is expected to reach 580 million by 2025, is significantly driving domestic consumption. With rising disposable incomes, there is an increasing demand for a variety of consumer goods, compelling manufacturers to enhance their production capabilities. As a result, businesses are investing heavily in new factories and industrial facilities to meet this demand.

**Government Policies and Initiatives:** Indian government initiatives such as Digital India and the National Policy on Advanced Manufacturing, Production linked incentives encourage companies to adopt automation. These policies aim to enhance the country's technological capabilities and support digital transformation across industries.

- **Production Linked Incentive Scheme (PLI):** The Production Linked Incentive Scheme represents a strategic commitment by the Indian government, with an outlay of INR 1.97 trillion (over USD 26 billion) announced in the Union Budget 2021-22 for 14 key manufacturing sectors. This financial support incentivizes companies to increase production levels, particularly in sectors like electronics, pharmaceuticals, and automobiles. By attracting global players and stimulating domestic production, the PLI scheme significantly drives the demand for industrial construction, as businesses invest in building or upgrading manufacturing facilities to qualify for these incentives.
- **Skill Development Programs:** Initiatives like "Skill India" and "Make in India Skill Development Centers" are crucial for addressing skill gaps in the workforce. These programs aim to train millions of individuals in

various technical skills necessary for modern manufacturing processes. By ensuring a steady supply of skilled labor, these initiatives facilitate the establishment of new industrial units, which, in turn, generates increased demand for industrial construction to accommodate the growth of these facilities and ensure they are staffed with qualified personnel.

- **Business-Friendly Reforms:** The Indian government has implemented numerous reforms since 2014 aimed at simplifying regulations and reducing bureaucratic hurdles, making it easier for companies to establish and operate in India. The ease of doing business has improved significantly, as evidenced by India's rise in the World Bank's Ease of Doing Business rankings. This pro-business environment attracts both domestic and international investments, leading to an increase in industrial projects as firms seek to capitalize on favorable conditions for growth.

### **Growth Drivers in Automotive Sector Automation:**

Nowadays, automotive OEMs (Original Equipment Manufacturers) and Tier 1 suppliers are looking for efficient and reliable production methods that is driving the demand for turnkey automation solutions. The rapid growth of automation solutions in the automotive sector is fueled by several key drivers:

**Cost Reduction & enhanced precision, efficiency, and productivity:** Automated system including Automated systems, including robotic welding lines and assembly lines reduces operational costs by enhancing production speed, minimizing material waste, and lowering labor expenses. Advanced robotics and AI systems ensure precision and consistency, further driving down costs associated with errors and rework.

**Increasing Demand for Electric Vehicles (EVs):** The shift towards electric vehicles is a significant growth driver for automation. EV manufacturing demands high precision and the ability to handle specialized components such as batteries and electronic control units. Automation technologies, including robotic assembly and smart material handling systems, are pivotal in meeting these requirements. As EV adoption grows, the demand for automation solutions in battery production and vehicle assembly will surge.

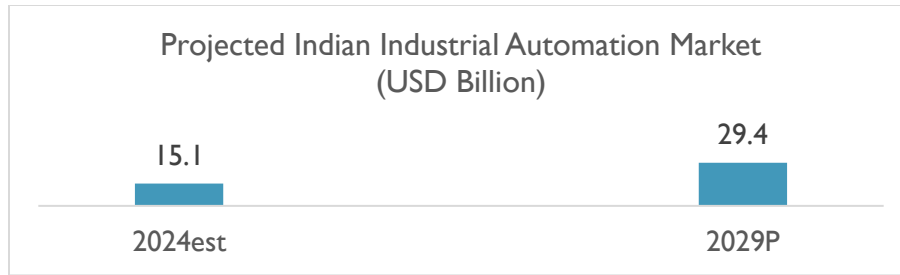
**Quality Control and Safety Standard:** Consistent product quality and safety standard are critical aspect for automotive manufacturers who deal with high volumes and stringent regulatory requirements which can be achieved through automation. Usage of robots and automated machinery allows for enhanced safety during the production process by performing hazardous tasks, such as welding, heavy lifting, and working in high-temperature environments.

**Technology Advancement:** Innovations in AI, IoT, and robotics are transforming automotive manufacturing. Industry 4.0 principles, such as real-time data analytics and predictive maintenance, are enabling manufacturers to optimize production processes and improve decision-making. The adoption of Industry 4.0 technologies is revolutionizing manufacturing. Smart factories, equipped with interconnected systems, leverage real-time data to enhance productivity, reduce downtime, and improve quality control. Automation plays a central role in this transformation, enabling seamless integration of production processes.

**Labor Shortages:** The automotive sector faces labor shortages due to aging workforces and the decline in interest in repetitive factory jobs. Automation provides a solution by reducing reliance on manual labor and ensuring uninterrupted production.

### **Growth Forecast**

The Indian Industrial automation solutions industry is expected to grow from USD 15.12 billion in 2024 to USD 29.43 billion by 2029, growing at a CAGR of 14.2% during the forecast period.



The future growth of the Indian industrial automation solutions industry is influenced by several key factors:

- **Technological Advancements and Industry 4.0 Adoption:** The adoption of Industrial Internet of Things (IIoT), artificial intelligence, and machine learning is crucial for enhancing automation capabilities. As more companies embrace smart manufacturing, the demand for connected automation solutions will grow. SAMARTH Udyog Bharat 4.0 is an Industry 4.0 initiative of Ministry of Heavy Industry & Public Enterprises, Government of India under its scheme on Enhancement of Competitiveness in Indian Capital Goods Sector.
- **Automation for Tier 2 Suppliers:** Beside Tier 1 suppliers who are the primary customers for automation providers, there is an increasing demand for automation from Tier 2 suppliers who are likely to adopt automation solutions to remain competitive and meet the customers' demand.
- **India emerging as a manufacturing hub:** As India emerging as automotive manufacturing hubs for global players, the need for high-quality automation systems is expected to rise. The country present promising growth opportunity for automation to expand as labor costs rise in India are rising too.
- **Cost Competitiveness and Return on Investment (ROI):** While automation can be capital-intensive, cost-effective solutions are crucial in India's price-sensitive market. Solutions that provide high ROI by reducing labor costs, minimizing downtime, and enhancing productivity will likely gain traction.
- **Workforce Skill Development and Labor Dynamics:** Access to a well-trained workforce is crucial for industries that rely on technical expertise. Skill gaps in areas like data science, engineering, or IT can limit growth if industries can't find the talent to support their operations.
- **Supply Chain Resilience and Local Manufacturing:** Industries relying on a global supply chain benefit from resilience and risk mitigation strategies, such as diversifying suppliers and increasing domestic production to avoid disruptions.
- **Investment in R&D and Innovation:** The industry is competitive, with rapid innovation driving new products and solutions. Companies that invest in research and development to create advanced and differentiated solutions will be able to capture larger market shares.
- **Competitive Landscape:** High competition drives companies to innovate and improve efficiency to stay competitive. Market saturation or the presence of dominant players can affect profitability, while new entrants can increase competition.

### Technological Advancements and Innovation in Industrial Automation Sector

The Indian industrial automation sector is experiencing significant technological advancements and innovations, propelling the industry toward enhanced efficiency, productivity, and global competitiveness. Key development includes:

#### Industry 4.0 Integration

**Smart Manufacturing:** Globally, the manufacturing sector is entering the next phase of growth, dubbed as Industry 4.0. Also referred to as the "Fourth Industrial Revolution", Industry 4.0 emphasizes the integration of digital technologies such as IIoT, AI, and robotics to create interconnected, intelligent manufacturing systems. This approach enables real-time data collection, remote monitoring, and enhanced decision-making.

These advances have made today's Smart Factories, powered by Industry 4.0, to react to market changes on a real-time basis, without the time lag that existing previously. Also, with rapid changes in business sentiment, consumer demand, and competition, companies are focusing on predictive aspects to keep one step ahead. Additionally, the

availability of real-time data from all aspects of manufacturing coupled with real-time analysis has improved the scope of efficiency improvement and cost optimization.

**Cyber-Physical Systems (CPS):** With CPS, physical processes are tightly integrated with computational resources, allowing for autonomous operations and self-optimization of machinery. This trend is central to achieving smart factories in India.

**Integration of Artificial Intelligence (AI) and Machine Learning (ML):** AI and ML are being incorporated into automation systems to enable predictive maintenance, optimize production processes, and facilitate real-time decision-making. These technologies help in analyzing vast datasets to identify patterns and anomalies, thereby improving operational efficiency.

- *Quality Control and Defect Detection:* AI-powered image processing and machine vision systems enhance quality control by identifying defects on production lines in real time.
- *Process Optimization:* AI and ML algorithms analyze vast data sets to identify process inefficiencies, enabling companies to make data-driven adjustments that maximize productivity.

**Implementation of Robotics and Automation:** The use of industrial robots is on the rise, particularly in sectors like automotive, electronics, and pharmaceuticals. Robots are employed for tasks ranging from assembly and welding to packaging and quality inspection, ensuring precision and consistency.

**Emphasis on Energy Efficiency and Sustainability:** Automation solutions are increasingly focusing on energy-efficient operations and sustainable practices. Innovations include the development of energy-saving drives, efficient motors, and systems designed to minimize environmental impact.

**Growth of Additive Manufacturing (3D Printing):** Additive manufacturing is gaining traction in India, allowing for rapid prototyping and production of complex components. This technology reduces material waste and shortens the product development cycle.

**Expansion of Cloud Computing and Data Analytics:** Cloud-based platforms are being utilized for data storage and analytics, providing scalable solutions for managing large volumes of industrial data. This facilitates better resource planning and informed decision-making.

**Enhancement of Human-Machine Interfaces (HMIs):** Modern HMIs are becoming more intuitive and user-friendly, incorporating touchscreens and graphical displays. These interfaces improve operator interaction with machinery, leading to increased productivity and safety.

### **Industry 5.0: Transforming the Manufacturing Landscape**

Industry 5.0 is all set to take the stage when Industry 4.0 is still gaining popularity and yet to get matured. It is transforming the way manufacturing industry functions. Factors like increased efficiency, shorter turnaround time, higher productivity, and superior quality products form the core of this movement.

Industry 5.0 is regarded as a fifth industrial revolution envisions an industry that functions with the combined power of humans and machines and contributes to society while adhering to the limits of the planet. Most of the technological innovations and concepts of Industrial Revolution 5.0 are derived from Industry 4.0. The fifth industrial revolution will pave the way for a sustainable, resilient, and human-centered approach to manufacturing.

**Adoption of the Industrial Internet of Things (IIoT):** The IIoT connects machinery and equipment through the internet, allowing seamless communication and data exchange. This connectivity enables remote monitoring, control, and analysis of industrial processes, leading to reduced downtime and enhanced productivity.

- **Connected Devices:** To advent of industrial automation, connected machines, usage of real time sensors along with data analysis capability, and Industrial Internet of Things (IIoT) is in line with these factors. The usage of industrial robots, autonomous systems for material handling, connected supply chains, and additive manufacturing is changing the face of manufacturing. Although the repetitive tasks are done by robots in industry 4.0 which is at the mass customization level, industry 5.0 aims to perform mass personalization with help of Artificial Intelligence. Industry 5.0 is expected to revolutionize the production process with higher autonomy to collaborative robots. Industry 5.0 is the futuristic industrial revolution which is expected to bring in more creativity and innovation in the products by allowing robots to perform repetitive tasks.



With the IIoT, industrial devices are equipped with sensors, enabling communication and data exchange. This connectivity allows for continuous monitoring and remote diagnostics, improving operational visibility.

- **Real-Time Monitoring and Control:** IIoT allows for real-time tracking of processes, enabling quick response to issues and efficient resource allocation. This trend is essential for sectors that require high precision, such as pharmaceuticals and electronics.

### **Digital Transformation**

- **Cloud Computing and Edge Computing:** Automation is increasingly leveraging cloud and edge computing for data storage, analysis, and process optimization. Cloud computing enables central management of data, while edge computing brings computational power closer to machines, enabling faster processing.
- **Data Analytics and Predictive Maintenance:** Real-time data analytics is transforming operational efficiencies. Predictive maintenance uses analytics to foresee equipment failures, allowing proactive maintenance and reducing downtime.

### **Rise of Collaborative Robots (Cobots)**

- **Human-Robot Collaboration:** Cobots are designed to work safely alongside humans, enhancing productivity without compromising safety. Cobots are increasingly adopted in small to medium enterprises (SMEs) for tasks that require flexibility.
- **Labor Efficiency:** The shortage of skilled labor has increased the demand for cobots in various industries, including automotive and consumer goods, to automate repetitive or physically demanding tasks.

### **Emphasis on Cybersecurity for Automation Systems**

- **Protecting Connected Systems:** As factories become more connected, cybersecurity has become essential to protect sensitive data and ensure uninterrupted operations. Security measures like firewall protections, encryption, and network segmentation are now standard in automation setups.
- **Compliance and Standards:** Adherence to cybersecurity standards, especially for critical industries like defense and healthcare, is vital to safeguard automated operations from cyber threats.
- **Government Initiatives and Support:** The Indian government is promoting automation through policies like the Production Linked Incentive (PLI) scheme and the Make in India initiative. These programs encourage domestic manufacturing and the adoption of advanced technologies.

### **EV-Specific Automation Needs in the Automotive Automation Market**

The rise of electric vehicles (EVs) has profoundly reshaped the dynamics of the automotive automation market. EV manufacturing introduces unique requirements that demand specialized automation solutions across various production stages. Below are key areas where EV-specific needs are driving advancements in industrial automation:

#### **Battery Manufacturing and Assembly:**

- Automation systems are critical for handling the complexity and precision required in battery manufacturing.
- Processes such as cell stacking, module assembly, and battery pack integration are automated to ensure consistency, minimize defects, and meet safety standards.
- Advanced robotics and AI-driven systems optimize battery assembly efficiency and scalability.

#### **Electric Drivetrain Production:**

- Unlike traditional internal combustion engines, EVs rely on electric drivetrains. Automation plays a vital role in manufacturing components like motors, inverters, and power electronics.
- Precision machining, robotic assembly, and automated quality checks ensure reliability and performance of these critical components.

#### **Lightweight Material Handling:**

- EV manufacturers increasingly adopt lightweight materials, such as aluminum and composites, to improve energy efficiency.
- Automated systems are used for handling and assembling these materials, which are often more delicate than traditional metals.

### Thermal Management Systems:

- EVs require effective thermal management for batteries and power electronics. Automation ensures precise manufacturing and integration of cooling systems, which is essential for vehicle performance and longevity.

### Scalability and Modular Production:

- The rapid growth in EV demand has necessitated scalable production solutions. Modular automation systems enable manufacturers to adjust production capacity flexibly, ensuring responsiveness to market changes.

### End-of-Line Testing and Inspection:

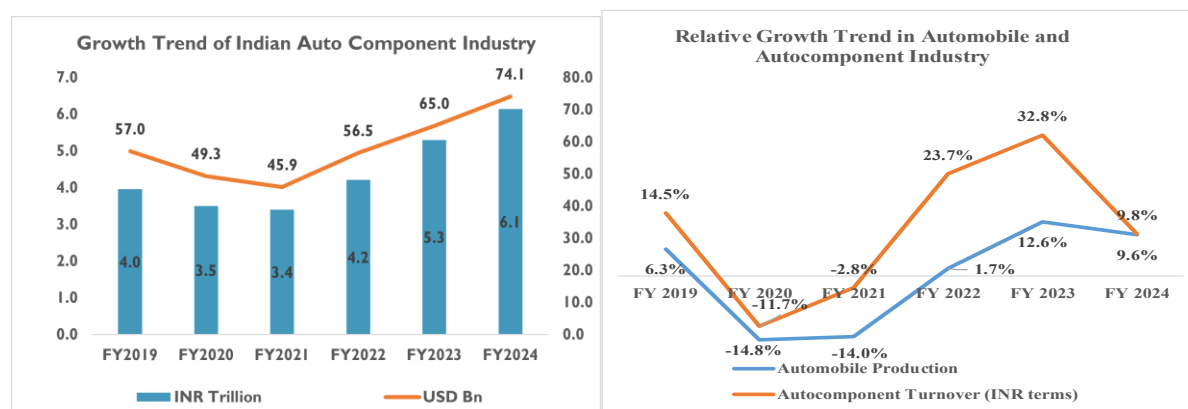
- Automated testing systems validate the performance and safety of EV components, such as batteries, motors, and electronic control units (ECUs).
- Machine vision and AI-based systems are used for real-time quality inspections to meet stringent industry standards.

### Integration of Industry 4.0 Technologies:

- EV manufacturing processes are heavily reliant on data-driven decision-making and real-time monitoring.
- IoT-enabled automation systems and digital twins provide insights into production efficiency, predictive maintenance, and supply chain optimization.

## Performance review of Indian Auto component & Automobile Sector

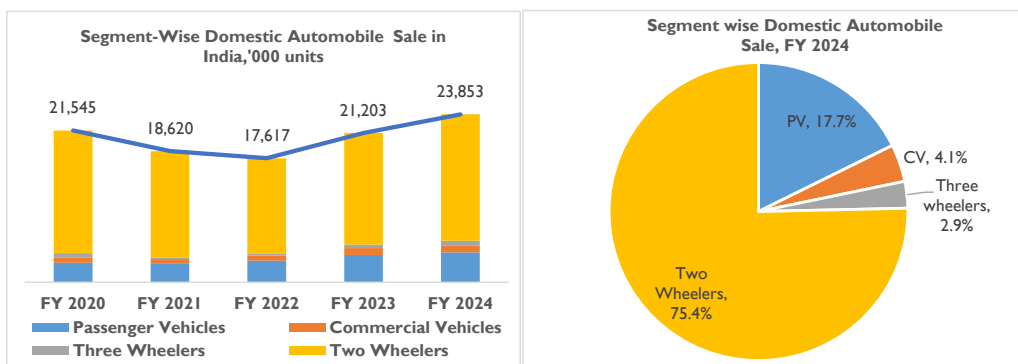
Backed by recovering demand, as per Automobile Component Manufacturers Association of India (ACMA), the turnover in Indian auto component industry increased to USD 74.1 Bn (INR 6.14 trillion) in FY 2024, growing by 9.8% y-o-y due to recovery in vehicle sales owing to improved consumer demand. This includes supplies to OEMs, aftermarket, and exports in respective share of 84%, 15% and 29%. The industry clocked highest turnover in the last 5 years.



Sources: ACMA

## Automobile Industry Performance

Post covid, signs of recovery began to emerge in FY 2022 with production reaching 23.0 million units, and this upward trend continued through FY 2024 with production rising to 28.4 million units. However, production levels have not yet surpassed the pre-pandemic peak of 30.9 million units recorded in FY 2019.



Source: Dun & Bradstreet Research, Society of Indian Automobile Manufacturers (SIAM)

Note: Segment-wise summation of domestic sales will not add to 100% total as Quadricycle data has not been included for analysis purpose

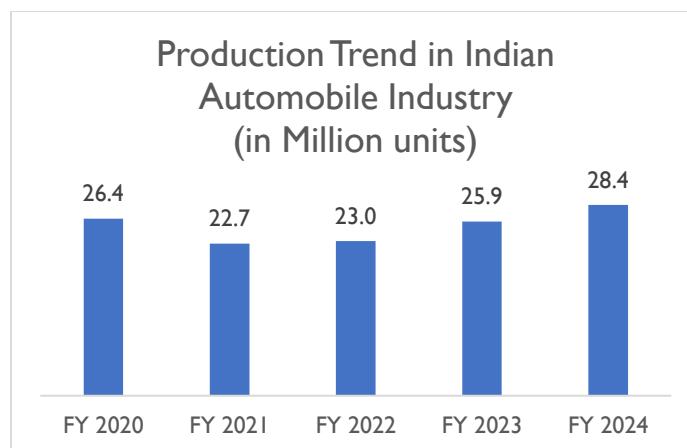
Segment Wise Sales	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Passenger Vehicles	2,774	2,711	3,070	3,890	4,219
Commercial Vehicles	718	569	717	962	968
Three Wheelers	637	219	261	489	692
Two Wheelers	17416	15121	13570	15862	17,974
<b>Total</b>	<b>21,545</b>	<b>18,620</b>	<b>17,617</b>	<b>21,203</b>	<b>23,853</b>

Sources: SIAM

Source: Dun & Bradstreet Research, Society of Indian Automobile Manufacturer

Overall domestic sales grew to 23.8 million units in FY 2024, registering y-o-y growth of 12.5% y-o-y growth in FY 2024 whereas PV sale grew to all time high in FY 2024 and it observed 8.45% y-o-y growth. Multiple factors such as growing middle class, an increase in disposable incomes and a low penetration ratio have been fueling the growth of Passenger Vehicle in India. India's car penetration ratio stood at 24 per 1,000 people, which compares poorly with the world average of 314, in 2022. It is the third lowest among the top 13 markets, according to World Road Statistics 2023 International Road Federation.

On supply side, improved vehicle availability, launch of new models, strong demand in the SUV segment, strategic marketing efforts and exciting model mix played pivotal roles in shaping the demand landscape. Additionally, improving road infrastructure also contributed towards rising auto sales including PV sales. During the last 5 years, overall automobile sales has observed 3% CAGR increase while PV sales have observed 11% CAGR between FY 2020-24.



Source: Society of Indian Automobile Manufacturers (SIAM)

Post covid, signs of recovery began to emerge in FY 2022 with production reaching 23.0 million units, and this upward trend continued through FY 2024 with production rising to 28.4 million units. However, production levels have not yet surpassed the pre-pandemic peak of 30.9 million units recorded in FY 2019.

### YTD FY 2025

In October 2024, the Indian auto industry reached new sales highs across the Passenger and Two-Wheeler segments, driven by the festive boost of Dussehra and Diwali occurring in the same month. According to SIAM, Passenger Vehicles recorded their highest-ever October sales with 393,238 units, reflecting a modest 0.9% growth over October 2023, despite a high comparative base. The Two-Wheeler segment also posted a record with 2,164,276 units sold, a 14.2% rise over the previous year, supported by a 30% increase in Vahan vehicle registrations. However, Three-Wheelers saw a minor decline of 0.7% compared to October 2023, with sales at 76,770 units, although a registration growth of 11% suggests sustained demand.

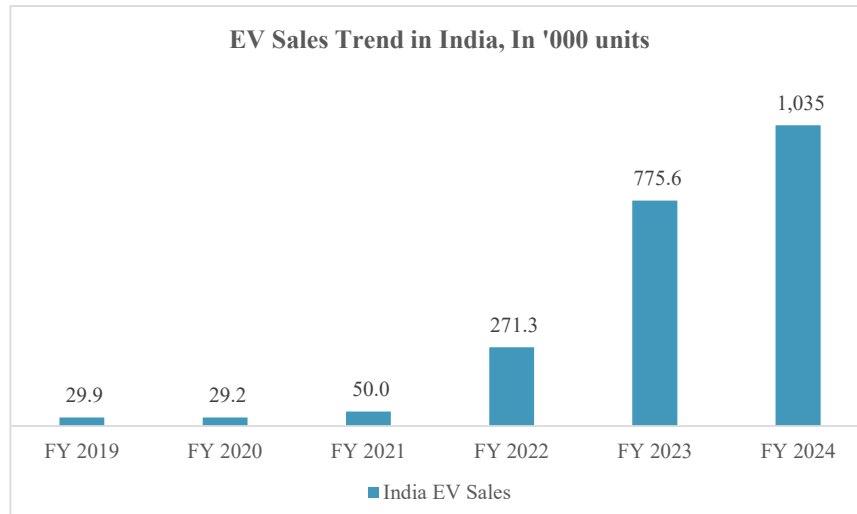
Earlier in April 2024, the industry had shown promising growth as the fiscal year began, with all segments reporting increases over the previous year. Domestic Passenger Vehicle sales reached 335,629 units, marking a slight growth of 1.3% over April 2023, while Two-Wheelers saw a substantial rise of 30.8%, with 1,751,393 units sold. The Three-Wheeler segment also recorded a positive trend, with a 14.5% growth at 49,116 units sold. Positive consumer sentiment, festive demand, and favorable economic factors, including policy stability and infrastructure development initiatives, contributed to the industry's strong performance.

Production levels followed similar trends, with October witnessing a high output of 2,882,996 units across Passenger Vehicles, Three-Wheelers, Two-Wheelers, and Quadricycles, compared to 2,358,041 units in April 2024. This steady production growth aligns with increasing market demand and higher consumer confidence, reflecting a robust start to FY 2024-25 and solid performance into the festive season.

### Transforming Automobile Landscape

Increasing fuel price and concerns about emission related pollution have increased the interest for electric vehicles among consumers. In the recent years, electric vehicle industry has witnessed rapid technological changes which has brought down the price substantially. Although still priced higher than conventional Internal Combustion Engine (ICE) vehicles, the price gap has come down. Together, these factors have created a market for electric vehicle, which although in infancy has the potential to grow exponentially.

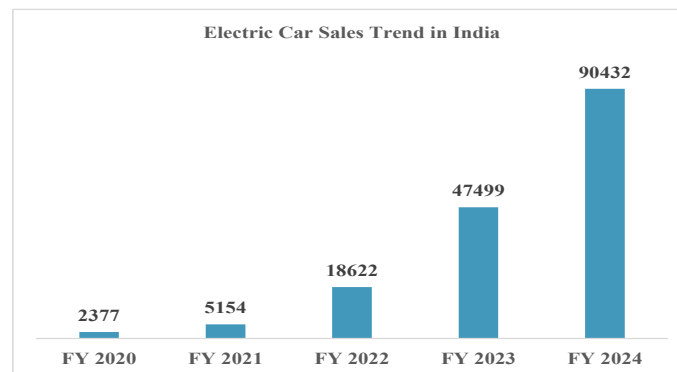
Like two-wheeler and three-wheeler segment, the PV segment is also witnessing a steady transformation toward EV primarily due to sharp surge in petrol and diesel price which are weighing heavy on retail consumers. While improving EV ecosystem in terms of charging infrastructure, battery technology development to support high speed and long-range travel, battery swapping is helpful in gradually alleviating consumers anxiety towards migrating to EV. Consolidated sales of EVs (e-2W and e-4W) were 1,035 thousand unit in FY 2024, surging by 33.4% against 185.9% increase over the previous year. The rate of increase was sharp in FY 2023 due to lower volume level.



*Society of Manufacturers of Electric Vehicles (SMEV), e-2W & e-4W*

India's electric mobility program is driven by Government backed demand initiative model, which is at the core of the flagship Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME). The Union Government has set a target of converting 30% of vehicle fleet to electric by 2030, which is amongst the most aggressive plans that are being implemented across the globe. This aggressive policy framework has created a small but fast-growing EV industry in India, which is currently dominated by electric two wheelers.

With an annual e-4W sale of over 90 thousand units (in FY 2024), the **passenger car industry** in India is transforming. The pace of growth it has achieved in the 5 years is tremendous, pointing towards huge opportunity. From nearly 2,000 units per annum in FY 2020, electric car sales jumped to 90,431 units in FY 2024, a compounded annual growth rate of 148%.



*Society of Manufacturers of Electric Vehicles (SMEV), \* till 14th March*

EV sales in India are aggressively pushed by government support. Policies such as Automobile Mission Plan 2016-26 Phase-II, Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME) Scheme (I & II) and most recently introduced the PLI scheme for automobile and auto components are likely to have a favorable impact on overall industry performance with deeper penetration of EV in the overall fleet volume.

The share of EVs in total registered vehicle continued to grow strong to 6.3% in 2023 from below 1% (0.7%) in 2020. The increasing surge in EV sale since June is largely attributed to the pent-up demand from the second wave slowdown which got triggered due to revised FAME subsidies, high fuel prices and launch of new electric vehicles along with improved charging infrastructure.

With a strong portfolio and strategic tie-up with Uber, Tata Motors accounted for majority share in EV sales. In 2023, the domestic EV market was dominated by Tata Motors (72%), followed by MG Motors (10.8%) and Mahindra (9%), with the top selling models being Tiago, Nexon and Tigor from Tata Motors, the MG ZS, and Mahindra XUV400.

## YTD EV Segment Sales Growth Trend (Apr-Oct 2024)

Segment	7M FY 2024	7M FY 2025	Y-o-Y Change
E-2 Wheelers	475,167	590,652	24%
E-3 Wheelers	356,222	378,394	6%
E-4 Wheelers	50,487	49,306	-2%
E-Buses	1,981	1,981	0%
Total Sales	883,857	1,020,333	15%

*Note, This data as on 22nd October. It excludes Telangana. This data does not include Low Speed Sales Sources, SMEV*

YTD sales EV sales during FY 2025 observed 15% y-o-y growth over the corresponding period last year with two-wheeler contributing significantly to driving the total EV sale followed by electronic three-wheeler segment while e-4 wheeler segment observed some contraction during the period taken under consideration.

### Government Initiatives

The Indian government has implemented several initiatives to bolster the automobile industry, focusing on growth, sustainability, and technological advancement. Key initiatives include:

#### Production Linked Incentive (PLI) Scheme for Automobile and Auto Components

Launched to enhance domestic manufacturing of advanced automotive technology products, the PLI scheme offers financial incentives to manufacturers based on their incremental sales. This initiative aims to attract investments and promote the production of EVs and hydrogen fuel cell vehicles.

Union Cabinet approved the PLI-Auto Scheme on 15.09.2021 with budgetary outlay of INR 25,938 crore for a period of 5 years (FY2022-23 to FY2026-27). The PLI-AUTO Scheme will boost manufacturing of Advanced Automotive Technology (AAT) Products.<sup>1</sup> The PLI scheme, which spans from FY23 to FY27, has a budgetary outlay of INR 25,938 crore. As of March 2024, capital investment under the scheme has reached INR 14,043 crore.<sup>2</sup>

#### Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) India Scheme

Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India (FAME India) Scheme-I was launched in the year 2015 to promote hybrid and EV technologies in India. Under FAME-I, a total 2.8 lakh vehicles were supported. Phase-II was being implemented by the Ministry of Heavy Industries for a period of five years commencing from 1st April,2019 with a total budgetary support of INR 10,000 crore. The FAME scheme, now in its second phase, provides incentives for the adoption of electric and hybrid vehicles. It focuses on establishing charging infrastructure and promoting EVs in public transportation, thereby reducing dependency on fossil fuels and lowering vehicular emissions. The FAME Scheme was extended for a further period of 2 years up to March 31st, 2024.

In its Budget, the government has proposed an allocation of INR 2,671.33 crore under the FAME scheme for 2024-25. While the budget estimate was INR 5,171.97 crore for the 2023-24 fiscal, the revised estimate turned out to be INR 4,807.40 crore.

#### Automotive Mission Plan 2026

The Automotive Mission Plan 2016-26 (AMP 2026), a collaborative initiative between the Government of India and the Indian automotive industry, aims to position India among the top three global leaders in automotive engineering. The AMP aims to make the Indian Automotive Industry, a significant contributor to the “Skill India” programme.

The plan's objectives include:

- The industry is expected to grow 3.5-4 times in value by 2026.
- The industry's contribution to GDP is expected to increase to over 12% and create 65 million new jobs.

#### Bharat Stage VI (BS-VI) Emission Norms

<sup>1</sup> <https://heavyindustries.gov.in/pli-scheme-automobile-and-auto-component-industry>

<sup>2</sup> <https://www.cnbcvt18.com/auto/budget-2024-pli-scheme-for-automobile-and-auto-components-sector-allocation-19447099.htm>

BS-VI norms are stringent emission standards that align with global benchmarks. The transition from BS-IV to BS-VI was expedited to reduce harmful emissions and promote cleaner technologies in vehicle manufacturing. With BS-VI fuel, a car will emit 80% less particulate matter (PM) and nearly 70% less nitrogen oxide per kilometer in a diesel engine. In a petrol engine, nitrogen oxide emissions will be reduced by 25%.

### **Vehicle Scrappage Policy**

India's Vehicle Scrappage Policy, introduced in 2021, aims to phase out old, unfit, and polluting vehicles to promote environmental sustainability and enhance road safety. The policy mandates that commercial vehicles over 15 years old and private vehicles over 20 years old undergo mandatory fitness tests. Vehicles failing these tests are deemed unfit for road use and are required to be scrapped. As of July 15, 2024, a total of 96,980 vehicles have been scrapped by Registered Vehicle Scrapping Facilities.<sup>3</sup>

### **Threats & Challenges**

The industrial automation industry is currently facing several major threats and challenges, the major challenges are as follows:-

#### **High Initial Investment and Cost Barriers**

The substantial initial investment required for automation technologies represents a significant barrier to entry for many businesses, particularly small and medium enterprises (SMEs). The financial implications associated with acquiring advanced machinery, and software, and the integration of these systems can be overwhelming. Many companies find it challenging to rationalize these upfront costs, especially considering that the return on investment (ROI) often takes several years to materialize—typically between 2 to 4 years, depending on the specific application and industry. This financial strain often results in a reluctance to adopt automation solutions, thereby limiting their potential advantages in terms of efficiency and productivity.

#### **Shortage of Skilled Workforce**

Another critical challenge is the shortage of skilled workforce capable of operating and maintaining advanced automation systems. As industries increasingly adopt the latest technologies, the demand for skilled labor in areas such as robotics, programming, and systems integration has surged. This skills deficit can slow down the implementation of automation initiatives and hinder overall productivity. Additionally, training existing employees or hiring new talent incurs further costs, compounding the initial investment challenge.

#### **Dependence on Imported Components and Technology**

The dependence on imported components and technology poses a risk to industrial automation firms. Many manufacturers rely on foreign suppliers for critical components such as sensors, controllers, and software platforms. This reliance can lead to vulnerabilities in supply chains, especially during geopolitical tensions or global disruptions like pandemics. Such dependencies can cause delays in production and increase costs due to tariffs or shipping issues, ultimately impacting operational efficiency.

#### **Cybersecurity Threats**

As industrial systems become more interconnected through the Internet of Things (IoT) and Industry 4.0 initiatives, they also become more exposed to cybersecurity threats. Cyberattacks targeting industrial control systems (ICS) have increased significantly, with many organizations reporting incidents that lead to operational disruptions. The complexity of modern automation systems often means that security measures are insufficient or improperly implemented, making them attractive targets for cybercriminals. Protecting these systems requires ongoing investment in cybersecurity solutions and training, adding another layer of cost and complexity.

#### **Infrastructure and Connectivity Constraints**

Infrastructure and connectivity constraints also present challenges for industrial automation. Many facilities may lack the necessary digital infrastructure to support advanced automation technologies effectively. Issues such as inadequate broadband connectivity or outdated legacy systems can limit the ability to implement IoT solutions or integrate new

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<sup>3</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=2036674>

technologies seamlessly. This lack of infrastructure can stifle innovation and prevent companies from fully realizing the benefits of automation.

### **Regulatory Landscape**

The Indian industrial automation solutions industry operates within a regulatory and policy framework designed to promote technological advancement, ensure safety, and foster economic growth. Key components of this framework include:

- **National Strategy on Robotics:** The Ministry of Electronics and Information Technology (MeitY) has drafted the 'National Strategy for Robotics' to position India as a global leader in robotics by 2030. This strategy focuses on strengthening innovation, providing a robust institutional framework, and engaging stakeholders to drive the adoption of robotic technology in India.
- **Standards and Guidelines:** The Bureau of Indian Standards (BIS) has established standards for industrial automation and robotics to ensure safety and interoperability. These standards cover various aspects, including safety requirements, performance criteria, and testing methodologies for industrial robots and automation systems.
- **Make in India Initiative:** Launched to transform India into a global manufacturing hub, this initiative focuses on enhancing skill development, fostering innovation, and building best-in-class manufacturing infrastructure. It aims to increase the manufacturing sector's contribution to GDP and create employment opportunities.
- **Digital India Programme:** This programme promotes the adoption of digital technologies across industries, including manufacturing. It encourages the integration of automation, artificial intelligence, and the Internet of Things (IoT) to enhance productivity and efficiency in industrial processes.
- **National Policy on Electronics (NPE) 2019:** This policy aims to position India as a global hub for Electronics System Design and Manufacturing (ESDM). It provides incentives for the promotion of manufacturing and export in the electronics sector, which is integral to industrial automation.
- **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme:** This scheme provides financial assistance for the setting up of both Electronics Manufacturing Clusters and Common Facility Centers. It aims to create world-class infrastructure along with common testing and training facilities to boost the electronics manufacturing ecosystem.
- **Atal Innovation Mission (AIM):** AIM is a flagship initiative to promote a culture of innovation and entrepreneurship. It supports the establishment of Atal Tinkering Labs and Atal Incubation Centers, fostering innovation in automation technologies.



## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled ‘Industry Report for Indian Automation Solutions Industry’ dated December 23, 2024 (the “D&B Report”), prepared and issued by Dun & Bradstreet Information Services India Private Limited (“D&B”), commissioned by and paid for by our Company. The D&B Report has been prepared and issued by D&B for the purpose of understanding the industry exclusively in connection with the Issue. In this section, a reference to the “Company” or “we”, “us” or “our” means Patil Automation Limited.

All financial information included herein is based on our “**Financial information of the Company**” included on page 174 of this Draft Red Herring Prospectus.

### OVERVIEW

Incorporated in 2015, we are an automation solutions provider serving industrial clients, primarily in the automotive sector. We are engaged in designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling machineries and special-purpose machineries, tailored to meet the specific requirements of our clients' production facilities. Our client base primarily comprises of Automotive Original Equipment Manufacturers (OEMs), Tier I suppliers to Automotive OEMs and manufacturers of automotive components and sub-components, who seek to establish, expand, upgrade, modify or repair their production setup. Our automation solutions focus on optimizing manufacturing processes and reducing manual intervention at our clients' facilities.

Our product offerings also include assembly fixtures, welding fixtures, robotic cells, testing and inspection systems and auxiliary items. These products and items support the automation systems and provide integrated solutions to the operational requirements of clients. Our testing and inspection systems include leak testing machines and inspection jigs and gauges to ensure product performance with industry standards. In addition, we also provide support services to our clients, including repair and maintenance services, modification services and manpower support services so as to support system operations.

According to the D&B Report, Industrial automation has become a driving force behind economic transformation, reshaping industries, and economies worldwide. With advancements in technology and the adoption of automation solutions, industries across various sectors are experiencing increased efficiency, productivity, and competitiveness. (Source: D&B Report).

As per the D&B Report, Industrial automation has become a cornerstone of the automotive sector, revolutionizing production efficiency, precision, and scalability. Automated systems, including robotic welding lines and assembly lines, reduce operational costs by enhancing production speed, minimizing material waste, and lowering labor expenses. (Source: D&B Report)

Some of our notable automation systems & products delivered by us during the last 3 fiscal years 2022, 2023 and 2024 and for the half year ended Sept. '24 includes:-

F.Y./ Period	Product/Work description	Amt. (Rs. in lakhs)
Apr. '24- Sept. '24	Spot Welding line for the bottom, top and rear sections of a Sports-Utility vehicle for an automotive OEM	1080.00
	Front Seat Assembly Conveyor with pallet for assembling front seats in four-wheelers for a tier I supplier to OEM	305.16
F.Y. 2023-24	Robotic spot welding fixtures, robotic cells, MIG welding fixture, auto inspection gauge and other related items for a tier I supplier to OEM	1308.74

	Robotic cell welding stations, robotic welding fixtures with welding machines and gantry system for an electric vehicle manufacturer	1392.25
F.Y. 2022-23	Robotic welding fixtures, robotic cells, manual welding fixtures, robotic arm with welding machine and related parts for an electric vehicle manufacturer	795.14
	Robotic cells with robot package for an automotive components manufacturer	143.00
F.Y. 2021-22	Chassis Welding Line for a Bangladesh based three-wheeler manufacturer	677.20
	Main Conveyors with Rework Loops for a Tier I supplier to OEM	243.34

The manufacturing of our automation systems is carried out at our facility, based on the detailed designs made by us and approved by our customers. Our facility, located in the MIDC Chakan area of Village Sudumbre, Tehsil Maval, District Pune, is divided into two units: Unit-I (built up area – 50,536 sq. ft.) and Unit-II (built up area – 58,464 sq. ft.). Our units are equipped with requisite machineries such as CNC bending machines, cutting machines (plasma, oxyfuel and laser), milling machines, jig boring, surface grinding machines, among others and various testing equipment to support production of automation systems. Additionally, our facility is certified under ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015.

The design process takes place at our Admin and Design office in Baner, Pune, Maharashtra, where we conduct mechanical and electrical design as well as process simulation. As of September 30, 2024, our Design and Development team comprises 42 employees, playing a pivotal role in designing customized automation solutions tailored to our clients' specific requirements.

As of September 30, 2024, we had 239 permanent full-time employees. Additionally, we employed approximately 288 contract laborers at our units.

During the Fiscal 2024, we have sold our products in India to around 10 states including Maharashtra, Haryana, Karnataka, Gujarat, Madhya Pradesh and Tamil Nadu. As on September 30, 2024, our sales and marketing team comprised 8 employees, responsible for managing client relationships and overseeing sales operations across India.

Our Company is led by our promoters, Manoj Pandurang Patil and Prafulla Pandurang Patil, each bringing a wide industry experience. Our sustainable growth in business has been achieved through our founders-led management team with relevant educational qualifications and complementary skill sets. Our promoters have been the driving force in developing and growing our business.

#### Key performance indicators of our Company:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr.'24 to Sept'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	5,835.38	11,527.96	7,780.75	9,416.29
EBITDA <sup>(2)</sup>	825.03	1,244.37	458.65	781.85
EBITDA Margin <sup>(3)</sup>	14.14%	10.79%	5.89%	8.30%
PAT <sup>(4)</sup>	612.13	783.72	419.84	545.91
PAT Margin <sup>(5)</sup>	10.49%	6.80%	5.40%	5.80%
RoE(%) <sup>(6)</sup>	17.41%	27.81%	18.94%	31.48%
RoCE (%) <sup>(7)</sup>	16.90%	24.52%	12.60%	24.01%

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sale of products & services and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

## **OUR COMPETITIVE STRENGTHS**

### ***Design and development capabilities***

The design and development process in automation system production is a critical step that involves creating detailed, client-specific designs and developing tailored solutions to address unique operational requirements. This process ensures the functionality, efficiency, and precision of the systems while meeting client expectations. Our design and development team employs advanced software tools such as E-PLAN, Delmia, CATIA V5, AutoCAD, Process Simulate, and Solid Edge to craft precise automation systems. Once the design is finalized and approved, it is handed over to the manufacturing team for production. As of September 30, 2024, our skilled design and development team comprises 42 employees, dedicated to customizing and enhancing our products. This in-house expertise enables us to deliver automation systems tailored to the specific needs of our clients

### ***In-house manufacturing facility with integrated testing capabilities***

We operate an in-house manufacturing facility comprising of two units Unit-I and Unit II, having combined built up area of around 109,000 sq. ft., which support the production of precision automation systems. Our units are equipped with requisite machineries such as CNC bending machines, cutting machines (plasma, oxyfuel and laser), milling machines, jig boring, surface grinding machines, among others and various testing equipment to support production of automation systems. Our testing setup includes equipment's for dimensional measurement, weld penetration analysis and material strength evaluation, supported by inspection systems such as coordinate measuring machines (CMM) for the inspection of parts and gauges. The inhouse manufacturing operations supported by testing capabilities enable us to stream line inventory management and production process resulting into maintenance of product quality standards as per the clients' requirements.

### ***Recognition from customers***

In Fiscal 2024, we supplied our products to over 45 customers, including Automotive Original Equipment Manufacturers (OEMs), Tier I suppliers to Automotive OEMs, electric vehicle manufacturers and manufacturers of automotive components and sub-components. During the Fiscal 2024, we have sold our products in India to 10 states including Maharashtra, Haryana, Karnataka, Gujarat, Madhya Pradesh and Tamil Nadu. We have also received repeat orders from several customers and have also been recognized by several customers through awards such as the Best Supplier Award, Exceptional Performance Award, Best Tech-Savvy Partner Award, and Appreciation Awards.

### ***Experienced Promoters with strong management team having domain knowledge***

We have an experienced management team led by our Directors and Promoters, including Manoj Pandurang Patil and Prafulla Pandurang Patil. Manoj Pandurang Patil, our Promoter and Managing Director, has over 25 years of experience in the automation industry and has been the driving force behind our Company's growth, playing a pivotal role in strategic decision-making and managing overall business operations. Prafulla Pandurang Patil, our Promoter, Executive Director, and CFO, brings over 28 years of experience, including 9 years of specialized expertise in financial management. We are also supported by a senior management team along with an adequate technical and commercial team, enabling us to achieve organizational goals. We believe that our management team's experience, expertise and understanding of automation industry will enable us to continue to take advantage of both current and future market opportunities.

## **OUR BUSINESS STRATEGIES**

### ***Expand our production capabilities by setting up a new manufacturing facility***

The Indian Industrial automation solutions industry is expected to grow from USD 15.12 billion in 2024 to USD 29.43 billion by 2029, growing at a CAGR of 14.2% during the forecast period. (Source: D&B Report). According to the D&B Report, the adoption of robotic welding systems is accelerating in industries such as automotive manufacturing, heavy engineering and large-scale fabrication. These systems offer advantages like consistent weld quality, increased production speed, and reduced labor costs. (Source: D&B Report).

We currently manufacture automation systems from our facility (Unit-I and Unit II) located in the MIDC Chakan area of Gat No. 154, Village Sudumbre, Tehsil Maval, District Pune. These units have a total built up area of 109,000 sq. ft, with an installed capacity of 2304 units for welding lines (welding cells and fixtures) and assembly lines and are operating at an optimum capacity utilization level. As on September 30, 2024, our facility is operating at 83.51% capacity utilization (Source: Chartered Engineer Report dated January 08, 2024, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP).

To support our growth objectives and strengthen our presence in the automation market, we intend to establish a new manufacturing facility at Gat No. 112 & 113, Village Sudumbre, Taluka Maval, Pune, Maharashtra, which will have an approximately floor area of 59,046 sq. ft. divided into three units. This will enhance our installed capacity from 2304 units to an estimated 3454 units (Source: Chartered Engineer Report dated January 08, 2024, issued by Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP). This expansion will enable us to secure new orders from existing and potential customers, capitalize on emerging market opportunities and drive revenue growth. This expansion inter-alia involves acquiring land, civil construction work and installing machinery as detailed in the section “Objects of the Issue - Funding of capital expenditure towards setup of new manufacturing facility” on page 82 of this DRHP. The total estimated cost of the new facility is ₹ 6709.19 lakhs, out of which ₹ 6609.19 lakhs is to be funded from the net issue proceeds.

### ***Expand our presence in the Non-Automotive Sectors***

As per the D&B Report, the use of industrial robots is on the rise, particularly in sectors like automotive, electronics and pharmaceuticals. Robots are employed for tasks ranging from assembly and welding to packaging and quality inspection, ensuring precision and consistency. Industries like automotive, electronics, and consumer goods are increasingly adopting automated systems to meet production demands, enhance productivity, and maintain quality standards. (Source: D&B Report).

As part of our growth strategy, we are focused on addressing the market demand from our existing and new clients in the automotive sector while also expanding our presence into the non-automotive sector. We aim to manufacture and market automation solutions for non-automotive sectors, particularly for the heavy construction equipment, pharmaceutical, and white goods (consumer goods) sectors. By leveraging the additional capacity of our proposed new manufacturing facility, we plan to enhance our ability to cater to non-automotive sectors. This will enable us to strengthen relationships with new clients in these industries, broaden our customer base, reduce dependence on any single market segment and mitigate risks associated with market concentration.

While we currently serve non-automotive clients in sectors such as capital goods, agricultural machinery, and the electrical industry, these engagements represent a small portion of our overall revenue. Going forward, we plan to increase the revenue contribution from non-automotive clients by strengthening our presence in these sectors.

The following table sets forth the bifurcation of revenue (industry-wise) for the six months period ended Sept.’24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)								
<b>Industry</b>	<b>Apr.’24- Sept.’24</b>	<b>% of revenue</b>	<b>F.Y. 2023-24</b>	<b>% of revenue</b>	<b>F.Y. 2022-23</b>	<b>% of revenue</b>	<b>F.Y. 2021-22</b>	<b>% of revenue</b>
Automotive	5,782.96	99.10%	11,331.61	98.30%	7,582.96	97.46%	8,966.36	95.22%
Non-automotive <sup>(i)</sup>	50.30	0.86%	189.07	1.64%	192.24	2.47%	445.12	4.73%
Others <sup>(ii)</sup>	2.12	0.04%	7.28	0.06%	5.54	0.07%	4.80	0.05%
<b>Grand Total</b>	<b>5835.38</b>	<b>100.00%</b>	<b>11527.96</b>	<b>100.00%</b>	<b>7780.75</b>	<b>100.00%</b>	<b>9416.29</b>	<b>100.00%</b>

<sup>(i)</sup>Non-automotive segment category includes customers operating in the capital goods, agricultural machinery and electrical industry sector.

<sup>(ii)</sup>Other category includes sale of scrap.

### *Expand in the Electric Vehicle (EV) Automation Segment*

In the automotive sector, we aim to strengthen our presence in the automation solutions for electric vehicle (EV) segment, which has the potential to grow exponentially (Source: D&B Report). According to the D&B Report, the rise of electric vehicles (EVs) has profoundly reshaped the dynamics of the automotive automation market. EV manufacturing introduces unique requirements that demand specialized automation solutions across various production stages. Further, as per the said D&B report, the shift towards electric vehicles is a significant growth driver for automation. EV manufacturing demands high precision and the ability to handle specialized components such as batteries and electronic control units. Automation technologies, including robotic assembly and smart material handling systems, are pivotal in meeting these requirements. (Source: D&B Report)

As EV adoption grows, the demand for automation solutions in battery production and vehicle assembly will surge. (Source: D&B Report). Our proposed manufacturing facility at Gat No. 112 & 113, Village Sudumbre, Taluka Maval, Pune, Maharashtra, will enable us to enhance our production capacity and better serve the EV segment.

### *Focus on consistently meeting quality standards*

Our Company intends to focus on adhering to the quality standards of the automation systems. Quality of the automation solutions is very important for us from the customer's point of view. Continuous quality review of processes, quality checks being undertaken, and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the automation solutions.

### **OUR PRODUCT OFFERINGS:**

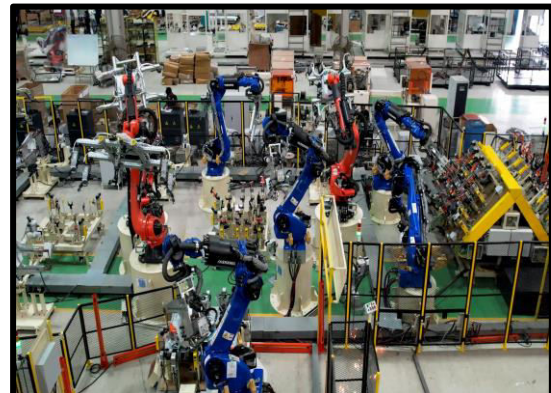
- 1. Welding lines** - Welding lines are automation systems designed to perform welding processes such as spot welding, MIG (Metal Inert Gas) welding and TIG (Tungsten Inert Gas) welding in the automotive sector. These systems use robotic arms equipped with welding equipment to automate joining processes. These welding lines incorporate automated part handling, inspection systems for quality control and programmable controllers for operation management. They are customized based on production volumes, material specifications and manufacturing requirements. Robotic welding cells and welding fixtures are key components of welding lines. Robotic welding cells are a subset of these systems, and are self-contained units specifically designed to handle precise welding tasks for components. Welding fixtures provide secure positioning and support for components during the welding process.

Our welding lines consists of:-

- i. Spot Welding Line:** The spot-welding process involves using robotic arms fitted with spot welding guns to join sheet metal components at specific points. This is used in the automotive body-in-white (BIW) process for assembling vehicle frames and structures.



*Seat Frame Welding Line*



*BIW Welding Line*

- ii. **MIG Welding Line:** The MIG welding process uses a wire-fed electrode and shielding gas to join materials. It is suited for joining thicker materials and is used in chassis manufacturing and other structural components in the automotive sector.
  - iii. **TIG Welding Line:** The TIG welding process uses a non-consumable tungsten electrode for joining materials, often applied to thin components or those requiring minimal distortion.
2. **Assembly Lines** - Assembly lines are structured solutions that integrate automated and semi-automated processes for sequential operations in manufacturing. They cater to diverse operational needs, including material handling, part orientation, joining processes and quality checks, providing streamlined workflows tailored to specific client requirements. The automation integrates robotic systems, conveyor lines and programmable workstations to execute tasks such as welding, fastening and inspection. These systems are engineered to optimize operational efficiency, reduce manual labour and ensure the seamless movement of goods within manufacturing and production facilities.



*Seat Frame Conveyor*



*Sub Assembly Frame Line*

3. **Special purpose Machines(SPMs):** We specialize in designing and developing customized Special Purpose Machines (SPMs) to meet specific manufacturing requirements. These machines include:

**Welding SPMs:** Welding special purpose machinery is designed for specific welding tasks, such as joining complex automotive components.

**Assembly SPMs:** Assembly special purpose machinery is customized for specific assembly operations in automotive manufacturing. These machines streamline processes like component fitting, fastening, and alignment to enhance productivity.

**Pressing SPMs:** Pressing special purpose machinery is designed for tasks such as pressing, crimping or shaping automotive components. These machines ensure precision and consistency in operations like fitting bushings, assembling components and forming parts for various automotive applications.

**Leak testing machines** - Leak testing machines are used to detect and measure leaks in components like fuel tanks, exhaust systems, and hydraulic parts. They ensure compliance with safety and quality standards in automotive manufacturing.

**Inspection Jigs and Gauges** - Inspection jigs and gauges are machines used to verify the dimensions, alignment and tolerances of automotive components. They help maintain consistency and ensure that parts meet the required specifications.



*Auto Inspection Gauge*



*Bush Pressing SPM*



*Curling & Crimping SPM*

**4. Material handling machines** - In automotive manufacturing, vehicles are made up of numerous complex components, thus, conveyor systems are required to streamline production processes and ensure seamless integration across various stages of assembly, ensuring smooth part movement between stations while minimizing manual intervention. Material handling machines are used to move, store, and position automotive components during manufacturing. These systems primarily include conveyors that streamline production workflows and improve efficiency. They reduce manual handling, ensure accurate part movement, and support seamless transitions between different stages of the production process.

**Product-wise revenue bifurcation:**

The following table sets forth the bifurcation of revenue (product-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)

Product categories	Apr.'24-Sept.'24	% of revenue	F.Y. 2023-24	% of revenue	F.Y. 2022-23	% of revenue	F.Y. 2021-22	% of revenue
Welding lines <sup>(i)</sup>	4,098.17	70.23%	8,556.87	74.23%	6,026.11	77.45%	7,329.42	77.84%
Assembly Lines	1,305.20	22.37%	1,610.09	13.97%	511.53	6.57%	996.57	10.58%
Maintenance & Other Services	254.85	4.37%	462.83	4.01%	424.88	5.46%	355.58	3.78%
Miscellaneous <sup>(ii)</sup>	64.36	1.10%	10.87	0.09%	349.19	4.49%	343.74	3.65%
Special Purpose Machineries	62.80	1.08%	211.00	1.83%	388.37	4.99%	369.44	3.92%
Material Handling Machines	50.00	0.86%	676.30	5.87%	80.66	1.04%	21.55	0.23%
<b>Grand Total</b>	<b>5835.38</b>	<b>100.00%</b>	<b>11527.96</b>	<b>100.00%</b>	<b>7780.75</b>	<b>100.00%</b>	<b>9416.29</b>	<b>100.00%</b>

<sup>(i)</sup> Revenue from welding lines includes revenue from welding lines as well as robotic welding cells and fixtures.

<sup>(ii)</sup> Miscellaneous category includes auto component parts, spare parts, scrap and other related items.

**Industry-wise revenue bifurcation:**

The following table sets forth the bifurcation of revenue (industry-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)

Industry	Apr.'24-Sept.'24	% of revenue	F.Y. 2023-24	% of revenue	F.Y. 2022-23	% of revenue	F.Y. 2021-22	% of revenue
Automotive	5,782.96	99.10%	11,331.61	98.30%	7,582.96	97.46%	8,966.36	95.22%
Non-automotive <sup>(i)</sup>	50.30	0.86%	189.07	1.64%	192.24	2.47%	445.12	4.73%
Others <sup>(ii)</sup>	2.12	0.04%	7.28	0.06%	5.54	0.07%	4.80	0.05%

<b>Grand Total</b>	<b>5835.38</b>	<b>100.00%</b>	<b>11527.96</b>	<b>100.00%</b>	<b>7780.75</b>	<b>100.00%</b>	<b>9416.29</b>	<b>100.00%</b>
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*(i) Non-automotive segment category includes customers operating in the capital goods, agricultural machinery and electrical industry sector.*

*(ii) Other category includes sale of scrap.*

### **Our manufacturing facility (Unit I & Unit II):**



### **OUR BUSINESS PROCESS**

Our key manufacturing process from client engagement to delivery of automation solution is given here below:-

1. **Customer Engagement and Requirement Collection:** The process begins with receiving a formal Request for Quotation (RFQ) from the customer. This RFQ includes:
  - Detailed 3D and 2D designs of the component(s).
  - Production volume requirements.
  - A comprehensive Statement of Requirements (SOR), encompassing the following:
    - Make List: Specifies the materials, tools, and components required.
    - Technical Specifications: Details on design and functionality.
    - Performance Metrics: Targets for efficiency and operational output.
    - Environmental and Safety Standards: Compliance requirements for sustainable and safe operations.
    - Training and Support Needs: Provisions for user training and post-implementation assistance.
    - Warranty and Maintenance Expectations: Commitments to durability and upkeep.
    - Acceptance Criteria: Benchmarks for customer approval.
    - Delivery and Installation Timelines: Clear schedules for project handovers.



2. Our marketing and sales team plays a pivotal role in converting customer requirements into actionable project proposals, involving studying customer-provided data and preparing a comprehensive quotation that serves as a foundation for project execution. The quotation includes:
  - **Introduction:** A concise overview of the project, including background information, objectives, and scope.
  - **Scope of Work:** A detailed outline of the tasks to be performed, encompassing technical specifications, project timelines, and deliverables.
  - **Technical Requirements:** Precise technical specifications for the product or service, including material details, performance benchmarks, and compliance standards.
  - **Commercial Requirements:** Information on the financial aspects of the project, such as pricing, payment terms, and the contract's duration.
  - **Evaluation Criteria:** Key factors for assessing the proposal, such as cost-effectiveness, technical quality, and adherence to delivery schedules.
  - **Quotation Requirements:** Clear instructions for preparing and submitting the quotation, including guidelines on format, content, and submission deadlines.
  - **Terms and Conditions:** Standard provisions governing the contract, covering warranties, liabilities, and clauses for termination or dispute resolution.
  - **Appendices:** Supporting documents like design drawings, technical specifications, and contract templates to provide clarity and completeness.

#### **Technical Proposal Development and Customer Approval:**

Once the technical proposal, including a tentative layout and cycle time study, is prepared, it is submitted to the higher management for review and approval. If feedback is provided by higher management, the necessary changes are implemented in the proposal before resubmission. Upon approval, the technical proposal is submitted to the customer for evaluation. If the customer provides feedback, the suggested modifications are incorporated into the technical proposal. Once the technical proposal is finalized and approved by the customer, the commercial proposal is prepared and submitted. If the customer raises concerns or requests revisions to the commercial offer, the proposal is revised accordingly and re-approved by higher management before resubmission. Upon customer agreement with the commercial offer, a purchase order and advance payment are received, marking the conclusion of the proposal process and the initiation of the project.

#### **Project Initiation and Stakeholder Coordination:**

Upon receipt of the purchase order, the order is formally acknowledged and forwarded to the Project and Accounts Departments. The marketing team assigns a unique project code, while the plant manager appoints a project manager. Subsequently, a meeting is convened by the marketing team, involving all internal stakeholders, including representatives from the Project, Design, Electrical, Assembly, Purchase, and Vendor teams, as well as the management team. During this meeting, the marketing team provides a detailed project briefing and hands over all relevant data to the stakeholders.

#### **Project Timeline and Design Initiation:**

Following the meeting, the project team develops and shares a project timeline with both the internal team and the customer. Concurrently, the design team initiates the design activity through design softwares. Once the first level of design is completed, an internal design review meeting is conducted, involving the Assembly and Vendor teams. During this review, the feasibility of the design is assessed from both assembly and functional perspectives. If the design is deemed infeasible, changes suggested by the team are implemented, and feasibility is reassessed in coordination with the project manager. Once the design is finalized and approved internally, it is submitted to the customer for approval. Any customer-requested changes are incorporated, and the updated design is resubmitted for final approval.

#### **Design Finalization and Procurement Process:**

Once the customer approves the design, the design team generates 2D drawings, prepares the Bill of Materials (BOM), and forwards them for manufacturing. The Purchase and Vendor teams then receive indents from the ERP system and begin the procurement process. This includes preparing cost estimates for the indents, selecting suitable suppliers, and issuing RFQs (Request for Quotations) or providing the necessary data to suppliers for further action. Throughout this process, the Purchase and Vendor teams ensure alignment with the project's cost and quality requirements, facilitating a seamless transition to the manufacturing phase.

**Quality Control and Material Receipt:**

After the supplier manufactures the parts, our quality team conducts an incoming quality inspection to ensure that the parts meet our quality and drawing standards. If the parts do not conform to the required standards, the Quality team either rejects the parts or takes corrective actions. Once the parts pass inspection, the Quality team provides clearance for dispatch to our facility. Upon receipt, the materials are stored and segregated as per assembly requirements. The Assembly Engineer then issues the materials through our ERP system and begins the assembly process.

**Assembly and Testing:**

Once the assembly is completed, the project team performs requisite testing including inspection by the CMM (Coordinate Measuring Machine) team to ensure the assembled unit complies with the 3D design specifications. If the assembled unit does not meet design specifications, corrections are made. Once verified, the CMM team marks the unit as approved, generates a CMM report, and submits it to the Project Manager. Simultaneously, the Project Manager coordinates with the customer to arrange for input parts for system trials and validation. Upon receiving the customer's components, the Assembly team conducts trials and fitment tests. The customer is invited to observe the trials and validate the system.

**System Trials and Customer Validation:**

If any issues are identified during trials, corrections are made to ensure the system meets the customer's functional and design requirements. Once successful trials and fitment are completed, the customer provides clearance for project dispatch. Simultaneously, the Project Manager finalizes all commercial aspects with the customer. After obtaining both technical and commercial clearances, the system is prepared for dispatch to the customer.

**Commissioning and Handover:**

Prior to dispatch, the Commissioning team shares a commissioning plan with the customer. Upon system receipt at the customer's site, the commissioning team undertakes installation and commissioning activities. Following successful installation and commissioning, the team conducts training sessions for the customer's personnel. Once the training is completed, the system is then handed over to the customer for continuous production, marking the successful completion of the project lifecycle.

**PLANT & MACHINERY**

Our manufacturing facility comprise a vast array of plant and machineries, all of which are fully owned by the company. The list is as follows:

S. No	Particulars	Usage
1.	CNC- Plasma & oxyfuel cutting MC	Sheet Cutting
2.	2D Laser Cutting MC	Welding Cells/ Fixture Cutting
3.	CNC-Bending MC	Sheet Metal Bending
4.	Plano Milling	Surface Smoothing
5.	Jig Boring	Precision Drilling
6.	M1TR Machine	Accurate Hole Drilling
7.	Milling Machine	Surface Finishing
8.	Portable CMM	Dimensional Inspection
9.	Abrasive Cutting Machine	Sample Cutting
10.	Penetration Molding Machine	Sample Moulding
11.	Finishing Machine	Fine Weld Polishing
12.	Microscope	Penetration Inspection
13.	Harness Tester	Hardness Testing
14.	Redial Drilling Machine	Multi Direction Drilling
15.	Tapping Machine	Tapping/ Threading
16.	Surface Plate	Flatness Inspection

**INSTALLED CAPACITY & CAPACITY UTILISATION**

As of the date of this Draft Red Herring Prospectus, we operate from our manufacturing facility (Unit-I and Unit-II) located at Chakan area of Village Sudumbre, Tehsil Maval, District Pune, Maharashtra with an aggregate total installed capacity of 2304 units for welding lines (welding cells and fixtures) and assembly lines. Below are the details of the installed capacity and actual utilization:-

**Welding Lines (Welding cells & fixtures) and Assembly lines**

Particulars	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr.'-Sept.'24
Installed Capacity (in no.)*	2304	2304	2304	1152
Actual Production (in no.)	1,517	1,256	1,797	962
Capacity Utilization	65.84%	54.51%	77.99%	83.51%

As certified by Mr. Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP, through their report dated January 08, 2025.

\*The installed capacity has been derived based on certain assumptions. For details, please refer to risk factor “Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.” on page 44 of this DRHP.

**SALES AND MARKETING:**

We provide industrial automation solutions on a B2B basis, catering to the specific requirements of our clients. Our sales and marketing maintain regular engagement with OEMs and their suppliers, monitoring market trends and fostering professional relationships. As on September 30, 2024, our sales and marketing team comprised 8 employees, responsible for managing sales across India. We also participate in exhibitions, showcasing our products to target customers and engaging with prospective clients to explore new business opportunities.

For the half year ended September’24, we marketed our products to around 8 states in India, of which the majority portion comes from the states of Maharashtra, Haryana and Karnataka.

The following table sets forth the bifurcation of revenue (geography-wise) for the six months period ended Sept.’24, fiscal years 2024, 2023 and 2022.

(Rs. in Lakhs)

Particulars	Apr’24 – Sept’24	% of revenue	F.Y. ended 31st March, 2024	% of revenue	F.Y. ended 31st March, 2023	% of revenue	F.Y. ended 31st March, 2022	% of revenue
<b>In India</b>								
Gujarat	66.4	1.14%	786.87	6.83%	600.78	7.72%	245.15	2.60%
Haryana	1156.29	19.82%	2082.47	18.06%	1649.15	21.20%	1373.41	14.59%
Himachal Pradesh	65.25	1.12%	59.73	0.52%	1667.79	21.43%	238	2.53%
Karnataka	955.36	16.37%	319.04	2.77%	859.35	11.04%	2116.6	22.48%
Madhya Pradesh	-	-	1.3	0.01%	-	-	-	-
Maharashtra	3163.82	54.22%	4211.94	36.54%	2109.91	27.12%	3431.99	36.45%
Punjab	-	-	7.39	0.06%	45.23	0.58%	68.24	0.72%
Rajasthan	-	-	-	-	-	-	15.95	0.17%
Tamil Nadu	261.01	4.47%	3914.29	33.95%	731.82	9.41%	1244.23	13.21%
Telangana	18.94	0.32%	42.73	0.37%	79.08	1.02%	-	-
Uttarakhand	95.32	1.63%	102.2	0.89%	-	-	-	-
Uttar Pradesh	-	-	-	-	-	-	5.51	0.06%
West Bengal	-	-	-	-	0.35	-	-	-
<b>Total (A)</b>	<b>5782.38</b>	<b>99.09%</b>	<b>11527.96</b>	<b>100%</b>	<b>7743.46</b>	<b>99.52%</b>	<b>8739.09</b>	<b>92.81%</b>

<b>Other Countries</b>								
Bangladesh	52.99	0.91%	-	-	-	-	677.2	7.19%
Germany	-	-	-	-	1.73	0.02%	-	-
Turkey	-	-	-	-	35.56	0.46%	-	-
<b>Total B</b>	<b>52.99</b>	<b>0.91%</b>	<b>-</b>	<b>-</b>	<b>37.29</b>	<b>0.48%</b>	<b>677.2</b>	<b>7.19%</b>
<b>Total (A+B)</b>	<b>5835.38</b>	<b>100%</b>	<b>11527.96</b>	<b>100%</b>	<b>7780.75</b>	<b>100%</b>	<b>9416.29</b>	<b>100%</b>

### **COMPETITION:**

The automation industry in which we operate is competitive and fragmented, with numerous small and medium-sized domestic and international players. At the regional level, most competitors are smaller companies offering automation solutions for specific parts of the process. We aim to continue competing effectively to capture a larger market share and manage growth.

Further, some of our current and potential competitors include large entities that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, etc. Some of our significant competitors in the organized segment includes Wipro Pari, Affordable Robotics and Automation Ltd, DiFACTO Robotics and Automation Pvt. Ltd., Faith Automation Systems & Tooling Pvt. Ltd. and Jendamark India Pvt. Ltd.

### **INFRASTRUCTURE & UTILITIES:**

**Raw Materials:** The production of our automation systems relies on raw materials and bought-out parts sourced from various suppliers. Major raw materials include MS steel plates, tubes (rectangular and square sections), C channels and I sections, which are procured through local suppliers. The bought-out parts, such as pneumatic cylinders, PLCs, HMIs, sensors, light curtains, conveyor chains, and gearbox motors, are sourced from various vendors located primarily in Maharashtra and Gujarat.

The following table sets forth the bifurcation of purchase (geography-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)

<b>Particulars</b>	<b>Apr'24 – Sept'24</b>	<b>% of Purchase</b>	<b>F.Y. ended 31st March, 2024</b>	<b>% of Purchase</b>	<b>F.Y. ended 31st March, 2023</b>	<b>% of Purchase</b>	<b>F.Y. ended 31st March, 2022</b>	<b>% of Purchase</b>
<b><u>In India</u></b>								
Delhi	15.15	0.40%	9.49	0.10%	10.91	0.17%	11.96	0.17%
Gujarat	322.12	8.48%	825.96	8.44%	260.13	4.12%	45.75	0.65%
Haryana	127.76	3.36%	379.56	3.88%	80.91	1.28%	59.73	0.85%
Himachal Pradesh	0.21	0.01%	0.18	0.00%	1.00	0.02%	-	-
Karnataka	55.69	1.47%	293.01	2.99%	102.14	1.62%	324.79	4.61%
Madhya Pradesh	0.28	0.01%	-0.56	-0.01%	0.56	0.01%	2.09	0.03%
Maharashtra	3,161.87	83.23%	8,006.10	81.83%	5,499.21	87.18%	5,994.17	85.13%
Punjab	-	-	-	-	0.19	0.00%	-	-
Rajasthan	-	-	1.21	0.01%	2.14	0.03%	1.92	0.03%
Tamil Nadu	69.58	1.83%	230.52	2.36%	212.90	3.38%	188.48	2.68%
Telangana	0.06	0.00%	4.17	0.04%	4.40	0.07%	-	-
Uttar Pradesh	32.32	0.85%	33.60	0.34%	132.88	2.11%	402.77	5.72%
Uttarakhand	-	-	0.08	0.00%	-	-	-	-
West Bengal	-	-	-	-	0.36	0.01%	0.23	0.00%
<b>Total (A)</b>	<b>3,785.04</b>	<b>99.63%</b>	<b>9,783.30</b>	<b>99.99%</b>	<b>6,307.74</b>	<b>100.00%</b>	<b>7,031.89</b>	<b>99.86%</b>

<b>Other Countries</b>								
Belgium	14.02	0.37%	-	-	-	-	-	-
China	-	-	0.70	0.01%	-	-	-	-
Germany	-	-	-	-	-	-	9.58	0.14%
<b>Total B</b>	<b>14.02</b>	<b>0.37%</b>	<b>0.70</b>	<b>0.01%</b>	<b>-</b>	<b>-</b>	<b>9.58</b>	<b>0.14%</b>
	-	-	-	-	-	-	-	-
<b>Total (A+B)</b>	<b>3799.06</b>	<b>100.00%</b>	<b>9,783.99</b>	<b>100.00%</b>	<b>6,307.74</b>	<b>100.00%</b>	<b>7,041.46</b>	<b>100.00%</b>

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. Mahavitaran (Maharashtra State Electricity Distribution Co. Ltd.)

**Water:** The existing water requirement for our factory units is met using local sources.



**Manpower:** As of September 30, 2024, we had a total of 239 permanent employees in our Company and 288 contractual employees.

Following is the department-wise breakup of permanent employees as of September 30, 2024:-

Department	Number of Employees (Permanent)
Accounts & Finance	6
Assembly	57
Automation & Controls	65
Fabrication & Production	8
HR & Admin	8
Management	4
Sales & Marketing	8
Mechanical Design & Simulation	42
Projects	8
Quality & CMM	11
Sourcing	11
Support Team	11
<b>Total</b>	<b>239</b>

**PROPERTY:**

**Intellectual Property**

Sr. No.	Brand Name/ Logo/ Trademark	Class	TM Category	Trademark Number	Current Status
1.		7	Device	6744282	Applied
2.	Device "PAPL The Spirit of Automation" 	7	Device	3044290	Registered

**Immovable Properties:**

The following are the details of the immovable properties owned/ leased/ rented by our Company: -

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Manufacturing unit and Registered office (Unit I and Unit II)	Gat No. 154, Behind GE Company, Sudumbre, Chakan MIDC, Phase-II, Tal. Maval, Dist. Pune, Maharashtra – 412109	Obtained on lease for a period of 5 years from April 1, 2021 from the promoters, Manoj Pandurang Patil & Aarti Manoj Patil at a lease amount of Rs. 33.00 lakhs p.m. which will increase by 5% annually. As of the date of the DRHP, the monthly rent payable is Rs. 38.20 lakhs p.m.
2.	Admin and Design office	6th Floor, Office No. 601, Survey No.45, Trident Business Center, Pune Bypass, Opp. Audi Showroom, Baner, Pune, Maharashtra – 411045	Obtained on rent vide Leave and License Agreement dated November 22,2023 for a period of 5 years effective from October 01, 2023 till September 30, 2028. As of the date of the DRHP, the monthly consideration is ₹2.89 lakhs, which will increase by 7% annually.
3.	Leased-out property*	Gat No.154, Behind GE Company, Chakan MIDC, Phase-II, Sudumbre, Tal. Maval Dist. Pune- 412109	Owned
4.	Guest House	Golden Enclave, Block D, Flat No. B/18, Survey No. 156A, Vithlapur, Tal. Mandal, Dist. Ahmedabad, Gujarat	Owned

*\*The said property is let out by our Company to Track Components Limited vide Leave and Licence Agreement dated December 16, 2023 for a period of 5 years w.e.f. December 15, 2023 at existing rent of Rs. 25.29 lakhs p.m.*

**Insurance:**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, insurance policy of Commercial Package and Burglary, Marine Open Inland Policy, Employees Compensation, Group Personal Accident and Group Medclaim insurance. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “Risk Factors” beginning on page 41 of this Draft Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

*The following description is a summary of certain sector-specific statutes, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to us in order to carry out our business and operations in India. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The description set out below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “**Government and other Approvals**” on page 236.*

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and other Approvals**” beginning on page no. 236 of this Draft Red Herring Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **THE COMPANIES ACT, 2013**

The Companies Act, 2013 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 the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by 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 October 30 of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like other so 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. 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. Where as 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 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). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise 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**

### **The Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016 (“BIS Act”) provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### **Bureau of Indian Standards Rules, 2018 (the “Bureau of Indian Standards Rules”)**

The Bureau of India Standards Rules, 2018, as amended, have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

### **The Bureau of Indian Standards Act, 1986**



The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and formatters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

### **Design Act, 2000 (“Design Act”)**

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial processor means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

### **The Factories Act, 1948 (“Factories Act”)**

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

### **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 are 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.

## **ENVIRONMENT LAWS:**

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

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. 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. Following are the objectives of National Environmental Policy: —

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

#### **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.

#### **The Air (Prevention & Control of Pollution) Act, 1981(the “Air Act”)**

One Central Pollution Control Board, as well as state pollution control boards formed under water act shall be deemed to be Central Board & State Board for the Prevention and Control of air Pollution. The Air Act prohibits that no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

#### **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.

#### **National Green Tribunal (NGT) Act, 2010**

National Green Tribunal (NGT) Act, 2010 has jurisdiction over cases related to environmental protection and pollution control, including disputes or violations concerning the establishment and operation of Effluent Treatment and Recycling plants. The NGT can issue orders and directives to ensure compliance with environmental laws and regulations.

#### **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 from the 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 Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)**

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

## **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 is 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 have 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 (Development and Regulation) Act, 1992 (“FTDRA 1992”)**

The FTDRA 1992 seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

### **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.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **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 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.

### **The Industrial Relations Code, 2020 (“Industrial Code”)**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade

Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **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 "ESI 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.

### **Employees Deposit Linked Insurance Scheme (EDLI)**

The Employees Deposit Linked Insurance Scheme or EDLI is an insurance cover provided by the EPFO (Employees Provident Fund Organisation) for private sector salaried employees who are members of EPFO. The EDLI scheme was launched in 1976. The registered nominee receives a lump-sum payment in the event of the death of the person insured (employee) during the period of the service

### **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")
- 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 Redressal) 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
- Apprentices Act, 1961
- The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

## **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")**

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

## **OTHER GENERAL RULES AND REGULATIONS:**

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the "code") cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and Companies. The Code establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities. Any creditor in the nature of financial or operational, in case of nonpayment of its debt within the due date have the right to file an insolvency and bankruptcy against the debtor under the Code with the appropriate authority. The Code has established fast track insolvency resolution process for all companies and other business entities. The process will have to be completed within 90 days, which may be extended up to 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

### **Competition Act, 2002**

The Competition Commission of India (CCI) (the authority regulating competition in India) actively investigates allegations of anti-competitive behaviour in the automotive sector. Moreover, the CCI observed that owing to technical specifications of the cars manufactured by; each original equipment manufacturer (OEM), the spare parts of one brand cannot be used for the repair and maintenance of cars manufactured by another OEM. Moreover, since the spare parts of one OEM are not interchangeable with those of other OEMs, each OEM is shielded. Additionally, shield the competition in the aftermarket from the existing competitors in the primary market.

## **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.

### **Shops & Commercial Establishments Act of the respective States in which the Company has an established place of business/ office ("Shops Act")**

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

## **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.

### **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, The Insolvency & Bankruptcy Code, 2016 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 incorporated as “Patil Automation Private Limited”, a private limited Company under the provisions of the Companies Act, 2013, pursuant to a Certificate of Incorporation dated July 22, 2015 issued by the Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on September 05, 2024 and the name of our Company was changed from “Patil Automation Private Limited” to “Patil Automation Limited” vide fresh certificate of incorporation dated October 21, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U29299PN2015PLC155878.

### Address of the Registered Office:

The registered office of the Company is located at Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109

### Changes in Registered Office of the Company:

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Effective Date	From	To	Reason for Change
February 20, 2016	Gat No 306, Near Waghajai Nagar, Kharabwadi, Chakan Tal. Khed, Pune Maharashtra, India-410501	Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109	Administrative Convenience

### Main Objects of Our Company:

The main objects of our Company are as follows:

To carry on the business of industrial robots and robot automation line such as welding assembly line, general assembly line and press line, assembly of jigs and fixtures, system integration, sale of industrial robots; sale of spare parts; after-sale service; maintenance services of industrial robots, machines for leakage testing, plasma & gluing, inspection stations, press, welding automation, MIG/TIG/SPOT, welding robots, manual welding fixtures for MIG, Spot and TIG.

### Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company since Incorporation:

Date of Shareholder's Resolution	Nature of Amendments
March 04, 2016	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹5,00,000 divided into 50,000 Equity Shares of ₹ 10/- each to ₹1,50,00,000 divided into 15,00,000 Equity Shares of ₹10/- each.
February 08, 2018	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 1,50,00,000 divided into 15,00,000 Equity Shares of ₹ 10/- each to ₹ 2,50,00,000 divided into 25,00,000 Equity Shares of ₹10/- each.
March 10, 2018	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 2,50,00,000 divided into 25,00,000 Equity Shares of ₹ 10/- each to ₹ 5,50,00,000 divided into 55,00,000 Equity Shares of ₹10/- each.



November 04, 2024	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 5,50,00,000 divided into 55,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹10/- each.
September 05, 2024	Clause I of our Memorandum of Association was amended to reflect the change in our name from 'Patil Automation Private Limited' to 'Patil Automation Limited' pursuant to conversion of our Company from a private limited company to a public limited company.

#### **Adopting new Articles of Association of the Company:**

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Extra Ordinary General Meeting of the Company dated September 05, 2024.

#### **Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

<b>Year/ F.Y.</b>	<b>Key Events/ Milestone/ Achievements</b>
2015	Incorporation of our company; Setup of unit for manufacturing of automation products.
2016	Executed international project relating to Assembly Automation.
2021-22	Executed an international project of Bangladesh involving supply of a welding line for chassis production for a three-wheeler manufacturer.
2023-24	Crossed revenue of Rs. 100 crores.
2024	Conversion of company from Private Limited to Public Limited in consequence of such conversion, name of our company changed from "Patil Automation Private Limited" to "Patil Automation Limited".

#### **Corporate profile of our Company:**

For details of our Company's activities, services, growth, awards & recognitions, technology, marketing strategy, competition and our customers, please refer section titled "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Basis for Issue Price***" on pages 126, 223 and 94 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and shareholding of our Promoters, please refer to sections titled "***Our Management***" and "***Capital Structure***" beginning on page 152 and 67 of the Draft Red Herring Prospectus respectively.

#### **Time and Cost Overruns in Setting up Projects:**

Our Company has not experienced any significant time and cost overrun in setting up projects.

#### **Our holding company:**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

#### **Our Associates and Joint Ventures:**

As on date of this Draft Red Herring Prospectus, our Company does not have any associates and joint ventures.

#### **Our Subsidiary Company:**

As on date of this Draft Red Herring Prospectus, Our Company does not have any Subsidiary Company.

#### **Accumulated profits or losses:**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of the firm that have not been accounted for or consolidated by our Company.

**Strategic or Financial Partnerships:**

As on the date of this Draft Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

As on the date of the Draft Red Herring Prospectus, there have been no defaults or rescheduling of borrowings with any financial institutions/banks.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

**Shareholders Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Her\*ring Prospectus.

**Agreement with key managerial personnel or Senior Management Personnel or Directors or Promoters or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Senior Management Personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

## OUR MANAGEMENT

### Board of Directors:

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

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Manoj Pandurang Patil</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Age:</b> 48 years</p> <p><b>Date of Birth:</b> January 02, 1976</p> <p><b>Address:</b> Flat No. 1302, 13<sup>th</sup> Floor, Lodha Belmondo. Tower 22, Lodha Belmondo, Gahunje, Pune, Maharashtra-412101</p> <p><b>Experience:</b> 25 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Diploma in Mechanical Engineering</p> <p><b>Current Term:</b> Three years with effect from December 11, 2024 to December 10, 2027</p> <p><b>Period of Directorship:</b> September 03, 2015</p> <p><b>DIN:</b> 06425903</p>	<ul style="list-style-type: none"> <li>● Fine Automation Robotics India Private Limited</li> <li>● Evtric Motors Private Limited</li> <li>● Aayush Care Foundation</li> </ul>
<p><b>Aarti Manoj Patil</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>Age:</b> 45 years</p> <p><b>Date of Birth:</b> February 25, 1979</p> <p><b>Address:</b> Flat No. 1302 13<sup>th</sup> Floor, Tower 22 Lodha Belmondo, Gahunje, Salumbre, Pune, Maharashtra- 412101, India.</p> <p><b>Experience:</b> 9 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Science</p> <p><b>Current Term:</b> Three years with effect from December 11, 2024 to December 10, 2027</p> <p><b>Period of Directorship:</b> September 03, 2015</p> <p><b>DIN:</b> 07029839</p>	<ul style="list-style-type: none"> <li>● Fine Automation Robotics India Private Limited</li> <li>● Evtric Motors Private Limited</li> <li>● Aayush Care Foundation</li> </ul>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Prafulla Pandurang Patil</b></p> <p><b>Designation:</b> Executive Director and CFO</p> <p><b>Age:</b> 50 years</p> <p><b>Date of Birth:</b> May 02, 1974</p> <p><b>Address:</b> Flat No. 202, F-Wing, Devi Indrayani Co-Op Housing Society Dehu-Alandi Road, Near Talwade IT Park, Talwade, Pune City, Pune, Maharashtra-412114</p> <p><b>Experience:</b> 28 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Diploma in Mechanical Engineering</p> <p><b>Current Term:</b> Three years with effect from December 11, 2024 to December 10, 2027</p> <p><b>Period of Directorship:</b> September 30,2024</p> <p><b>DIN:</b> 10759798</p>	<p>Nil</p>
<p><b>Ketan Padmakar Chaphekar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 49 years</p> <p><b>Date of Birth:</b> July 09,1975</p> <p><b>Address:</b> 11, Satyayash, Vee Nimbkar Society, Baner Near Sakal Nagar Baner Road, Pune City, Pune Maharashtra - 411007</p> <p><b>Experience:</b> 24 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Engineering (Mechanical)</p> <p><b>Current Term:</b> Five years with effect from December 11, 2024 to December 10, 2029.</p> <p><b>Period of Directorship:</b> December 11, 2024</p> <p><b>DIN:</b> 01740800</p>	<ul style="list-style-type: none"> <li>• Vishwa Urja Shakti Private Limited.</li> <li>• Chaphekar Suspensions Private Limited</li> </ul>
<p><b>Kshama Ronak Dharnidharka</b></p> <p><b>Designation:</b> Additional Independent Director</p> <p><b>Age:</b> 36 years</p>	<ul style="list-style-type: none"> <li>• Copains Consultants LLP</li> </ul>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Date of Birth:</b> March 16, 1988</p> <p><b>Address:</b> 306, Venkatesh Kunj, 150 Feet road, near HDFC Bank, Bhayander west, Thane, Maharashtra-401101.</p> <p><b>Experience:</b> 8 years</p> <p><b>Occupation:</b> Service</p> <p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> Five years with effect from December 25, 2024 to December 24, 2029.</p> <p><b>Period of Directorship:</b> December 25, 2024</p> <p><b>DIN:</b> 07662396</p>	
<p><b>Santoshkumar Vasantrao Patil</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 53 years</p> <p><b>Date of Birth:</b> June 01, 1971</p> <p><b>Address:</b> 601, Raj Residency-3, Mahavir Nagar, near Jain Mandir, near Dahanukarwadi, Kandivali west, Mumbai, Maharashtra-400067</p> <p><b>Experience:</b> 26 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Law and Master of Arts.</p> <p><b>Current Term:</b> Five years with effect from December 11, 2024 to December 10, 2029.</p> <p><b>Period of Directorship:</b> December 11, 2024</p> <p><b>DIN:</b> 01741975</p>	<ul style="list-style-type: none"> <li>• Steadymind Creations Private Limited.</li> <li>• Sunn Zinnov Private Limited.</li> <li>• UK's Resort Private Limited.</li> </ul>

**Brief Profile of the Directors:**

1. **Manoj Pandurang Patil**, Promoter and Managing Director of our Company, has been on the Board since 2015. He completed his Diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra in the year 1998. He started his career in 1998 as Projects Engineer with Finearc Systems Pvt. Ltd., Pune and worked their till 2005. Later, he joined Precision Automation and Robotics India Limited (PARI), Pune in 2005 as Assistant Manager – Projects. He started his entrepreneurial journey from 2013 by incorporating Fine Automation Robotics India Private Limited. He possesses an overall experience of over 25 years in automation industry. He has been the driving force behind our Company and has played a pivotal role in the company's growth, overseeing strategic decision-making and managing overall business operations.

2. **Aarti Manoj Patil** is the Promoter and Executive Director of our Company. She has completed Bachelor of Science from Amravati University in 1999. She has been on the Board of Company since 2015 and is looking after the Human Resource Development and Administration functions, since then. She possesses 9 years of experience in HR and Admin functions.
3. **Prafulla Pandurang Patil** is the Promoter, Executive Director and CFO of our Company. He holds a Diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra in the year 1994. His initial work experience of 16 years relates to managing die shop operations in various Companies such as Bharat Forge Limited, Hindustan Motors and Neepaz V Forge (India) Limited from 1995 to 2011. He is overseeing the Accounts & Finance operations of our Company since 2015. He possesses an overall experience of over 28 years with 9 years specifically in overseeing financial management of our Company. He has been designated as Executive Director and CFO in 2024.
4. **Ketan Padmakar Chaphekar**, Independent Director, holds a Bachelor's degree in Mechanical Engineering from Dnyaneshwar Vidyapeeth in the year 1997 and possess 24 years of extensive experience in the sheet metal fabrication Industry. A second-generation entrepreneur, Mr. Chaphekar is the Managing Director of Chaphekar Suspensions Private Limited (CSPL).
5. **Kshama Ronak Dharnidharka**, Additional Independent Director, is an experienced professional with approximately 8 years of experience in audit and taxation field. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. Currently, she is associated with Copains Consultants LLP as Designated Partner.
6. **Santoshkumar Vasant Rao Patil**, Independent Director, has an experience of 26 years in the field of Hospitality and tourism. He has completed Master of Arts from Shivaji University in the year 1994 and Bachelor of law from Shivaji University in the year 2000. He is the founder of UK's Resorts Pvt Ltd, which is engaged in the hospitality sector.

#### **Confirmations:**

As on the date of this Draft Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(I) (III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

#### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

#### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

#### **Nature of Family relationship between our Directors**

The following Directors of the Company are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. Details of which are as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Relationship with other Directors</b>
1.	Manoj Pandurang Patil	Husband of Aarti Manoj Patil and Brother of Prafulla Pandurang Patil.
2.	Aarti Manoj Patil	Wife of Manoj Pandurang Patil
3.	Prafulla Pandurang Patil	Brother of Manoj Pandurang Patil

#### **Borrowing Powers of Directors:**

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, and pursuant to a resolution of the Shareholders of our Company passed in their extraordinary general meeting held on December 12, 2024, in accordance with Section 180 of the Companies Act, 2013, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by our Board and outstanding at any point of time shall not exceed ₹100 Crore.

#### **Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time 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 & Executive Director:**

##### **1. Manoj Pandurang Patil: Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on December 11, 2024 and December 12, 2024 respectively. Manoj Pandurang Patil was appointed as Managing director for a period of Three years with effect from December 11, 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 15 Lakh per month.

##### **2. Aarti Manoj Patil: Executive Director**

Pursuant to the resolutions passed by our Board and our Shareholders on December 11, 2024 and December 12, 2024 respectively, Aarti Manoj Patil, Executive Director of the Company shall be paid remuneration for a period of Three years with effect from December 11, 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 14 Lakhs per month.

##### **3. Prafulla Pandurang Patil: Executive Director and Chief Financial Officer**

Pursuant to the resolutions passed by our Board and our Shareholders on December 11, 2024 and December 12, 2024 respectively, Prafulla Pandurang Patil was appointed as Executive director and Chief Financial Officer for a period of Three years with effect from December 11, 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 3 Lakh per month.

#### **Payments or benefits to Directors:**

Except as disclosed in this Draft Red Herring 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 Executive Directors except the normal remuneration

for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our directors.

**The remuneration paid to our Directors in Fiscal 2024 is as follows:**

Name of Director	Remuneration paid in F.Y. 2023-24 (₹ in lakhs)
Manoj Pandurang Patil	95.29
Aarti Manoj Patil	95.50
Prafulla Pandurang Patil	26.33

**Sitting Fees:**

Our Board of Directors have resolved in their meeting dated December 25, 2024 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such director.

**Bonus or Profit Sharing Plan for our Directors:**

We have no bonus or profit sharing plan for our Directors

**Shareholding of our Directors and Key Managerial Personnel in Our Company**

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors and Key Managerial Personnel hold any Equity Shares in our Company:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in % (pre-Issue)
1.	Manoj Pandurang Patil	1,21,48,500	75.83
2.	Aarti Manoj Patil	28,21,500	17.61
3.	Prafulla Pandurang Patil	30,000	0.19
	<b>Total</b>	<b>1,50,00,000</b>	<b>96.63</b>

Our Articles of Association do not require our directors to hold any qualification shares.

**INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 152 of this Draft Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director 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. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 221 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.



### **Interest of Directors in the promotion and formation of our Company**

As on the date of this Draft Red Herring Prospectus, except for Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil, the Promoters of our Company, none of our other Directors and Key Managerial Personnel are interested in the promotion of our Company. For further details, see “Our Promoters and Promoter Group” on page 169.

### **Interest of Directors in the property of Our Company**

Except as disclosed in the section titled “Our Business - Properties” and “Financial Information – Related party transactions” on pages 138 and 208, our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

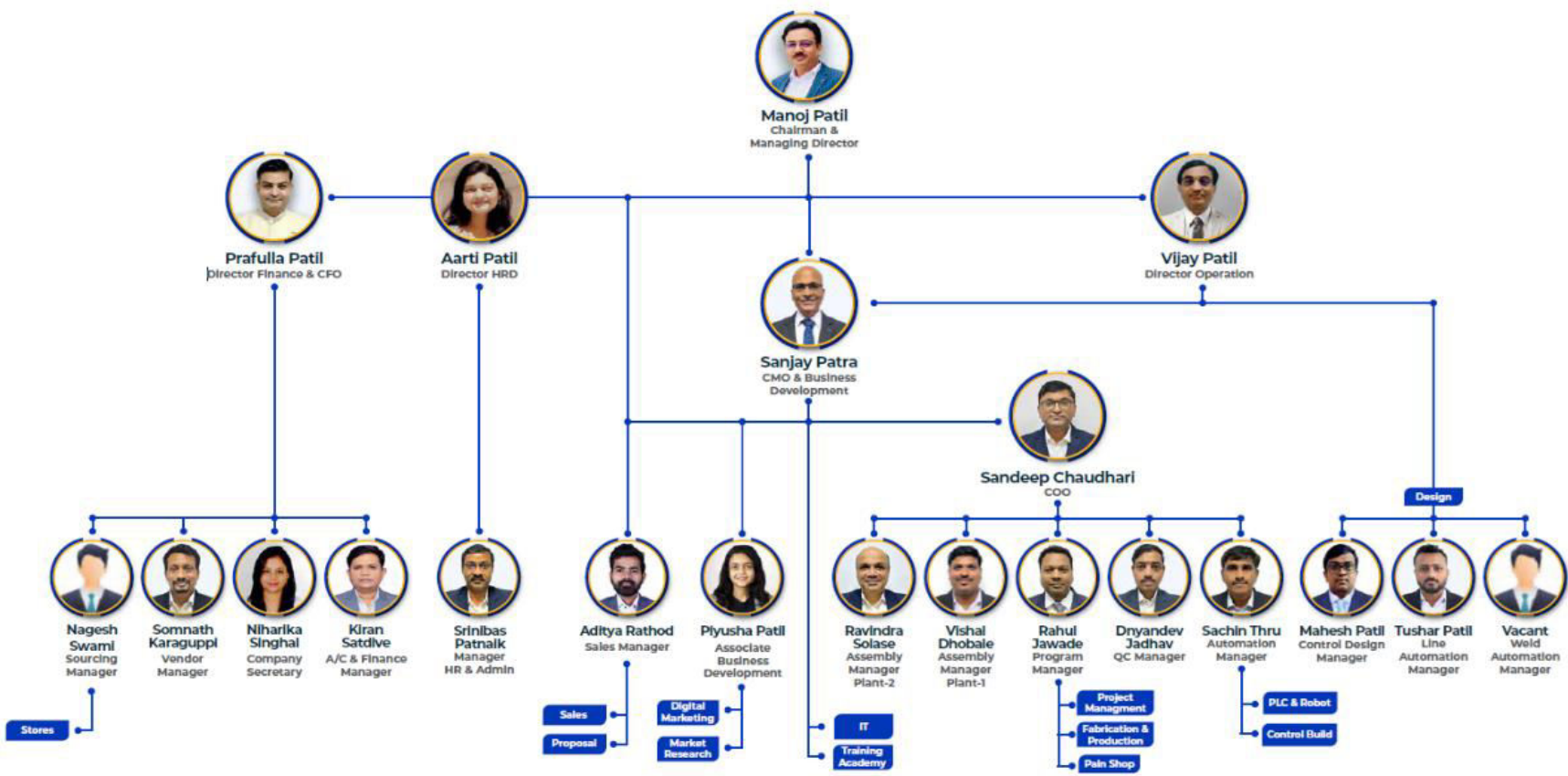
### **Changes to our Board in the last three years**

The changes in our Board in the last three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

<b>Name of Director</b>	<b>Date of Appointment/ Change in designation/ Cessation</b>	<b>Reason</b>
Prafulla Pandurang Patil	August 29, 2024	Appointed as Additional Non Executive Director.
Prafulla Pandurang Patil	September 30, 2024	Regularisation as Non Executive Director.
Prafulla Pandurang Patil	December 11,2024	Re designated as Executive Director and Chief Financial Officer
Manoj Pandurang Patil	December 11, 2024	Re designated as Managing Director
Ketan Padmakar Chaphekar	December 11, 2024	Appointed as Additional Independent Director
Ketan Padmakar Chaphekar	December 12, 2024	Appointed as Independent Director
Santoshkumar Vasanttrao Patil	December 11, 2024	Appointed as Additional Independent Director
Santoshkumar Vasanttrao Patil	December 12, 2024	Appointed as Independent Director
Kshama Ronak Dharnidharka	December 25, 2024	Appointed as Additional Independent Director

### **MANAGEMENT ORGANISATION 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 SME platform of NSE (NSE Emerge). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of six directors of which three are Independent Directors, and we have two women directors on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### 1. Audit Committee

Our Company has formed an Audit Committee, vide Board Resolution dated December 25, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Kshama Ronak Dharnidharka	Chairman	Additional Independent Director
Santoshkumar Vasantryao Patil	Member	Independent Director
Ketan Padmakar Chaphekar	Member	Independent Director
Prafulla Pandurang Patil	Member	Executive Director and CFO

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### A. Tenure of the committee:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### B. Meetings of the Committee:

The committee shall meet at least four times in a year and not more than one hundred and twenty day shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

#### C. Power of the Committee:

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- To have full access to information contained in records of Company.

#### D. Role of the Committee:

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an Offer (public Offer, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated December 25, 2024 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Kshama Ronak Dharnidharka	Chairman	Additional Independent director
Santoshkumar Vasantrao Patil	Member	Independent Director
Manoj Pandurang Patil	Member	Managing Director

The scope and function of the Committee and its terms of reference shall include the following:

### A. Tenure of the committee:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

### B. Meetings of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

### C. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;

6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

### 3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated December 25, 2024, as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Santoshkumar Vasant Rao Patil	Chairman	Independent Director
Kshama Ronak Dharnidharka	Member	Additional Independent Director
Ketan Padmakar Chaphekar	Member	Independent Director

The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure of the committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### B. Meetings of the committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

#### C. Role of Terms of Reference:

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

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

3. formulation of criteria for evaluation of the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

#### 4. Corporate Social Responsibility Committee

Our Company has re-constituted the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Board resolution dated December 25, 2024. The Corporate Social Responsibility Committee comprises the following:

Name of Director	Status in Committee	Nature of Directorship
Manoj Pandurang Patil	Chairman	Managing Director
Santoshkumar Vasantryao Patil	Member	Independent Director
Aarti Manoj Patil	Member	Executive Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

#### Key Managerial Personnel

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2023-24 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Manoj Pandurang Patil</b> <b>Designation:</b> Managing Director <b>Educational Qualification:</b> Diploma in Mechanical Engineering <b>Term of office:</b> designated as Managing Director with effect from December 11, 2024	48	2015	95.29	25	-
<b>Aarti Manoj Patil</b> <b>Designation:</b> Executive Director <b>Educational Qualification:</b> Bachelor of Science <b>Term of office:</b> designated as Executive Director with effect from September 03, 2015	45	2015	95.50	9	-
<b>Prafulla Pandurang Patil</b> <b>Designation:</b> Executive Director and CFO <b>Educational Qualification:</b> Diploma in Mechanical Engineering <b>Term of office:</b> designated as Executive Director and CFO with effect from December 11, 2024	50	2024 (as a Director and CFO)	26.33	28	-
<b>Niharika Shamindra Singhal</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary	28	2024	-	One year and around 4 months	RM Mimani & Associates LLP

#### Brief Profile of Key Managerial Personnel (KMP)

**Manoj Pandurang Patil** - Please refer to section “**Brief Profile of our Directors**” beginning on page 153 of this Draft Red Herring Prospectus for details.

**Aarti Manoj Patil**- Please refer to section “**Brief Profile of our Directors**” beginning on page 153 of this Draft Red Herring Prospectus for details.

**Prafulla Pandurang Patil** - Please refer to section “**Brief Profile of our Directors**” beginning on page 153 of this Draft Red Herring Prospectus for details.

**Niharika Shamindra Singhal** is the Company Secretary and Compliance officer of our Company. She has become the member of Institute of Company Secretaries of India in 2023. She possesses 1 year and 4 months of experience in handling secretarial matters and corporate governance. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from December 11, 2024.

#### Senior Management Personnel of our Company (SMP)

In addition to Company Secretary & Compliance Officer and Chief Financial Officer of our Company, whose details are provided in “Our Management -Key Managerial Personnel” on page 165, the details of our other Senior Management Personnel are set forth below:

**Vijay Pandurang Patil** is the Director (Operations) of our company. He has completed his Diploma in Production Technology in the year 2000 from the Maharashtra State Board of Technical Education. With 17 years of experience



in the automation industry, he has held several significant roles, primarily in technical leadership. He began his career in 2007 as a Technical Engineer at Precision Automation and Robotics India Private Limited. Subsequently, he worked as the Head of Technical from 2011 to 2013 at Fine Automation, a partnership firm, and later at Fine Automation Robotics India Private Limited from 2013 to 2016. In 2016, he joined our company as the Head of Mechanical Design. Presently, he is designated as Director (Operations) at our Company and heads the design team.

**Sanjaya Kumar Patra** is the Chief Management Officer (CMO) of our company, joined in October 2024. He holds a Bachelor of Engineering degree from Barkatullah University, NIT Bhopal (1994), Master of Marketing Management degree from Pondicherry University (2001), and a Diploma in General Insurance from the Insurance Institute of India (2020). With over 29 years of experience in business operations management across multiple sectors, Mr. Patra has a diverse career trajectory. He began his professional journey as a Service Engineer at Mahindra and Mahindra Limited (1995-1998). Over the years, he has held significant management roles in the automotive and insurance companies such as Hyundai Motor India Limited, Maruti Udyog Limited, Bajaj Allianz, Renault Nissan Technology and Business Centre India Pvt Ltd, Volkswagen Group, FCA India Automobiles Pvt Limited and Go Digit General Insurance Limited. Mr. Patra currently looks after the business development and IT operations of our Company.

**Sandeep Chaudhari** serves as the Chief Operating Officer (COO) of our Company. He holds a Diploma in Mechanical Engineering from the Maharashtra State Board of Technical Education, completed in 2004, and brings 19 years of experience in production, project management, and project execution. He began his career with MIRC Electronics Limited (ONIDA) as a Trainee Officer – Auto Insertion from 2004 to 2006. He subsequently worked at ARM Welders Pvt Ltd as Senior Manager – Projects from 2006 to 2014, followed by a tenure at Fine Automation Robotics India Pvt Ltd as Lead Member – Projects from 2014 to 2015. In 2015, he joined Shard Motor Industries Limited as Assistant Manager – NPD, where he served until 2016. Since joining our company in 2016, Mr. Chaudhari has been responsible for overseeing plant operations.

**We confirm that:**

- a. All the persons named as our Key Managerial Personnel and Senior Management Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel and Senior Management Personnel have been recruited.
- c. None of our KMPs and SMPs except Manoj Pandurang Patil and Prafulla Pandurang Patil are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel, there has been no contingent or deferred compensation accrued for the Year ended March 2024.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel and Senior Management Personnel.
- g. None of the Key Managerial Personnel and Senior Management Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except:

Sr. No.	Name of the KMP's and SMPs	No. of Shares held
1.	Manoj Pandurang Patil	1,21,48,500
2.	Aarti Manoj Patil	28,21,500
3.	Prafulla Pandurang Patil	30,000
4.	Vijay Pandurang Patil	30,000
	<b>Total</b>	<b>1,50,30,000</b>

- h. Presently, we do not have ESOP/ ESPS scheme for our employees.
- i. The attrition of KMPs and SMPs is not high in our Company, compared to the industry to which our company belongs.

**Nature of any family relationship between our Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)**

Except as mentioned below, none of the KMPs and SMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

Sr. No.	Name of the KMP and SMP	Relationship with other KMP
1.	Manoj Pandurang Patil	<ul style="list-style-type: none"> <li>• Spouse of Aarti Manoj Patil.</li> <li>• Brother of Prafulla Pandurang Patil and Vijay Pandurang Patil</li> </ul>
2.	Aarti Manoj Patil	Spouse of Manoj Pandurang Patil
3.	Prafulla Pandurang Patil	Brother of Manoj Pandurang Patil and Vijay Pandurang Patil
4.	Vijay Pandurang Patil	Brother of Prafulla Pandurang Patil and Manoj Pandurang Patil

#### **Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Draft Red Herring 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 super-annuation, 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.

#### **Changes in the Key Managerial Personnel and Senior Management Personnel in last three years:**

There have been no changes in the Key Managerial Personnel and Senior Management Personnel of our Company during the last 3 (three) year except as stated below:

Name	Designation (at the time of appointment/ Change in designation/ Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Manoj Pandurang Patil	Re-designated as Managing Director	December 11, 2024	To ensure better Corporate Governance and compliance with Companies Act, 2013
Prafulla Pandurang Patil	Appointed as Additional Non Executive Director	August 29, 2024	
Prafulla Pandurang Patil	Regularized as Non Executive Director	September 30, 2024	
Prafulla Pandurang Patil	Re designated as Chief Financial Officer and Executive Director	December 11, 2024	
Niharika Shamindra Singhal	Appointed as Company Secretary & Compliance Officer	September 17, 2024	
Sanjaya Kumar Patra	Appointed as Chief Management Officer	October 01, 2024	

#### **Interest of Our Key Managerial Person and Senior Management Personnel**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal and Senior Management Personnel are interested in our Company. For details, please refer section titled "**Financial information of the Company – Annexure XXXIII- Related Party Disclosures**" beginning on page 208 of this Draft Red Herring Prospectus.

### **Interest of KMP's and SMP's in the property of Our Company:**

Except as disclosed in the section titled “Our Business - Properties” and “Financial Information – Related party transactions” on pages 138 and 208, our KMP's and SMP's do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

### **Other Interests in our Company**

Except as stated in this section “*Our Management*” or the section titled “*Financial information of the Company – Annexure XXXIII - Related Party Disclosure*” beginning on page 152 and 208 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our KMPs and SMPs do not have any other interest in our business.

### **Details of Service Contracts of the Key Managerial Personnel and Senior Management Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Loans given/ availed by Directors/ Key Managerial Personnel/ Senior Management Personnel of Our Company**

For details of unsecured loan taken from or given to our Directors/ KMPs/ SMPs and for details of transaction entered by them in the past please refer to “*Annexure XXXIII – Related Party Disclosures*” page 208 of this Draft Red Herring Prospectus.

### **Employee Stock Options**

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## OUR PROMOTERS & PROMOTER GROUP

### OUR PROMOTERS:

Manoj Pandurang Patil, Aarti Manoj Patil and Prafulla Pandurang Patil are the promoters of our Company. As on date of this Draft Red Herring Prospectus, Our Promoters, in aggregate, hold 1,50,00,000 Equity shares of our Company, representing 93.63% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on page 74 of this Draft Red Herring Prospectus.

### Brief Profile of our Promoters is as under:



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#### **MANOJ PANDURANG PATIL** (Managing Director)

**Qualification:** Diploma in Mechanical Engineering

**Experience:** 25 years

**Age:** 48 years

**Date of Birth:** January 02, 1976

**PAN:** ALNPP2179D

**Address:** Flat No. 1302 13<sup>th</sup> Floor, Tower 22 Lodha Belmondo, Gahunje, Salumbre, Pune, Maharashtra-412101, India.

**No. of Equity Shares & % of Shareholding (Pre-issue):** 1,21,48,500 equity shares aggregating to 75.83% of Pre-Issue Paid up Share Capital of the Company.

**Other Directorship held:**

- Fine Automation Robotics India Private Limited
- Evtric Motors Private Limited
- Aayush Care Foundation

**Other Ventures:**

- Fine Automation (Partnership Firm)



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#### **AARTI MANOJ PATIL** (Executive Director)

**Qualification:** Bachelor of Science

**Experience:** 9 years

**Age:** 45 years

**Date of Birth:** February 25, 1979

**PAN:** BTVPP1400J.

**Address:** Flat No. 1302 13<sup>th</sup> Floor, Tower 22 Lodha Belmondo, Gahunje, Salumbre, Pune, Maharashtra-412101, India.

**No. of Equity Shares & % of Shareholding (Pre-issue):** 28,21,500 equity shares aggregating to 17.61% of Pre-Issue Paid up Share Capital of the Company.

**Other Directorship held:**

- Fine Automation Robotics India Private Limited
- Evtric Motors Private Limited
- Aayush Care Foundation

**Other Ventures:**

- Fine Automation (Partnership Firm).



**PRAFULLA PANDURANG PATIL**  
*(Executive Director and Chief Financial Officer)*

**Qualification:** Diploma in Mechanical Engineering

**Experience:** 28 years

**Age:** 50 years

**Date of Birth:** May 02, 1974

**PAN:** AJDPP7383H

**Address:** Flat No. 202, F-Wing, Devi Indrayani Co-Op Housing Society Dehu-Alandi Road, Near Talwade IT Park, Talwade, Pune City, Pune, Maharashtra-412114

**No. of Equity Shares & % of Shareholding (Pre-issue):** 30,000 equity shares aggregating to 0.19 % of Pre-Issue Paid up Share Capital of the Company.

**Other Directorship held:** Nil

**Other Ventures:** Nil

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For Brief Profile of Our Promoters, please refer to Chapter “*Our Management*” beginning on page 152 of this Draft Red Herring Prospectus for details.

**Confirmations:**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoters will be submitted at the time of submission of this Draft Red Herring Prospectus to the NSE for listing of the securities of our Company on Emerge Platform of NSE.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of ;(ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters have not been declared as fugitive economic offenders as defined under the SEBI (ICDR) Regulations.

**Change in the control of our Company:**

There has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

**Interest of our Promoters:**

**i. Interest in promotion and shareholding of Our Company:**

Our Promoters are interested in our Company to the extent that (i) they are the promoters of our Company and (ii) to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives.

For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 67 of this Draft Red Herring Prospectus

Our Promoters, who are also Directors and Key Managerial Personnel of our Company, may be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to *Annexure XXXIII– “Related Party Transactions”* beginning on page 208 of this Draft Red Herring Prospectus.

**ii. Interest in the property of Our Company:**

Except as disclosed in the section titled “Our Business - Properties” and “Financial Information – Related party transactions” on pages 138 and 208, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

**iii. Other Interests in our Company**

*For transactions in respect of loans and other monetary transactions entered in past please refer Annexure XXXIII on “Related Party Transactions” on page 208 forming part of “Financial Information of the Company” of this Draft Red Herring Prospectus.*

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favor of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of Our Company*” on page 221 and 174 respectively of this Draft Red Herring Prospectus.

**Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

Save and except as disclosed under “*Compensation of our Managing Director*” in the chapter titled “*Our Management*” beginning on page 152 of this Draft Red Herring Prospectus and also refer “*Annexure XXXIII on “Related Party Transactions”*” on page 208 of this Draft Red Herring Prospectus forming part of “*Financial Information of the Company*”, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus

**Companies/Firms with which our Promoters have disassociated in the last (3) three years**

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled “*Our Promoter & Promoter Group*” beginning on page 169 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoter**

For details on litigations and disputes involving our Promoters, please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 232 of this Draft Red Herring Prospectus.

**Experience of Promoters in the line of business**

Our Promoters have adequate experience in the business activities undertaken by our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 152 of this Draft Red Herring Prospectus.

### Related Party Transactions

Except as stated in “*Annexure XXXIII - Related Party Transactions*” beginning on page 208 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### OUR PROMOTER GROUP:

In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018:

#### i. Individuals forming part of the Promoter Group:

Relationship	Manoj Pandurang Patil	Aarti Manoj Patil	Prafulla Pandurang Patil
Father	Pandurang Waman Patil	Sharad Janardan Kolte	Pandurang Waman Patil
Mother	Sushila Pandurang Patil	Sunita Sharad Kolte	Sushila Pandurang Patil
Spouse	Aarti Manoj Patil	Manoj Pandurang Patil	Sarita Prafulla Patil
Brother	Prafulla Pandurang Patil Vijay Pandurang Patil	Shekhar Sharad Kolte Ganesh Kolte	Manoj Pandurang Patil Vijay Pandurang Patil
Sister	NA	Sarita Prafulla Patil	NA
Son	Aayush Manoj Patil	Aayush Manoj Patil	Pushkar Prafulla Patil
Daughter	Piyusha Manoj Patil	Piyusha Manoj Patil	Snehal Prafulla Patil
Spouse’s Father	Sharad Janardan Kolte	Pandurang Waman Patil	Sharad Janardan Kolte
Spouse’s Mother	Sunita Sharad Kolte	Sushila Pandurang Patil	Sunita Sharad Kolte
Spouse’s Brother	Shekhar Sharad Kolte Ganesh Kolte	Prafulla Pandurang Patil Vijay Pandurang Patil	Shekhar Sharad Kolte Ganesh Kolte
Spouse’s Sister	Sarita Prafulla Patil	NA	Aarti Manoj Patil

#### ii. Corporate Entities or Firms forming part of the Promoter Group:

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Name of Entities
1.	any body corporate in which twenty per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;	1. Fine Automation Robotics India Private Limited 2. Evtric Motors Private Limited 3. Aayush Care Foundation
2.	any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	NA
3.	any Hindu Undivided Family or Trust or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent of the total capital;	1. Fine Automation 2. Sap Enterprises 3. A V Enterprises 4. Shree Samarth Engineering Solutions

#### Other persons included in Promoter Group:

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.

## DIVIDEND POLICY

The declaration and payment of dividends, if any, 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 a number of factors, including but not limited to, consolidated 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. 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. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon 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 2024. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, please refer section titled “Risk Factors” on Page 27 of this Draft Red Herring Prospectus.

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



## SECTION VI- FINANCIAL INFORMATION OF THE COMPANY

### RESTATED FINANCIAL STATEMENTS

#### Independent Auditor's Report on Restated Financial Statements

To

**The Board of Directors**

**Patil Automation Limited**

Gat no 154, Behind G.E. Company,

Sudumbre Tal Maval,

Pune, Maharashtra- 412109

Dear Sirs,

1. We have examined the attached Restated Financial statements of **Patil Automation Limited (Formerly known as Patil Automation Private Limited)** (hereinafter referred to as “**the Company**”) (formed by conversion of a Private Limited Company i.e Patil automation Private Limited”, under the provisions of Companies Act, 2013) comprising the Restated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the six months period ended September 30, 2024 and the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 11<sup>th</sup> December, 2024, for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus (“Offer Document”) prepared by the Company in connection with its proposed SME Initial Public Offer.

These Restated Summary Statements for offer of equity shares (“SME IPO”) prepared in accordance with the requirements of:

- (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of part I of chapter III of the Companies Act, 2013 including Rules thereon, as amended (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”)
  - (iii) The terms of reference to our engagements with the Company letter dated October 31, 2024 requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of relevant stock Exchange. (“IPO” or “SME IPO”); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”)
2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Pune in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.

3. We, **M/s GMCS & Co.** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds the peer review certificate dated 19 May, 2022 valid till 31 May, 2025. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. These Restated Financial Statement have been compiled by the management of the company from Audited Financial Statements of the company as at and for the six months period ended September 30, 2024 and the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**Restated Statement of Assets and Liabilities**” of the Company as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The “**Restated Statement of Profit and Loss**” of the Company for the six months period ended on September 30, 2024, financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (iii) The “**Restated Statement of Cash Flows**” of the Company for the six months period ended on 30 September, 2024, and the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
6. Based on our examination, we are of the opinion that the Restated Financial statements have been prepared after incorporating:
  - a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments and
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments
  - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for period ended September 30, 2024 and the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These 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 Polices and Notes to Accounts as set out in Annexure IV to this report.
7. Audit of Patil Automation Limited (erstwhile Private Limited ‘Patil Automation Private Limited’) for the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 was conducted by M/s S B Ohara & Co. and accordingly reliance has been placed on the financial information examined by them for the said years. We have also done reaudit for the financial year ended on 31st March, 2024.

8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended September 30, 2024 and the year ended March 31, 2024, March 31, 2023, and March 31, 2022 proposed to be included in the Offer Document.

**Annexure to Restated Financial statements of the Company: -**

1. Summary Statement of Assets and Liabilities, as restated as appearing in ANNEXURE I;
  2. Summary Statement of Profit and Loss, as restated as appearing in ANNEXURE II;
  3. Summary Statement of Cash flow as restated as appearing in ANNEXURE III;
  4. Restated significant accounting policies and notes to accounts as appearing in ANNEXURE IV;
  5. Share capital as restated as appearing in ANNEXURE V to this report;
  6. Reserves and surplus as restated as appearing in ANNEXURE VI to this report;
  7. Long-term borrowings as restated as appearing in ANNEXURE VII to this report;
  8. Deferred tax asset/liability as restated as per ANNEXURE VIII to this report;
  9. Other long-term liabilities as restated as appearing in ANNEXURE IX to this report;
  10. Long Term Provision as restated as appearing in ANNEXURE X to this report;
  11. Short-term borrowings as restated as appearing in ANNEXURE XI to this report;
  12. Trade payables as restated as appearing in ANNEXURE XII to this report;
  13. Other current liabilities as restated as appearing in ANNEXURE XIII to this report;
  14. Short-term provisions as restated as appearing in ANNEXURE XIV to this report;
  15. Property, Plant & Equipment as restated as appearing in ANNEXURE XV to this report;
  16. Non-current Investment as restated as appearing in ANNEXURE XVI to this report;
  17. Long Term Loans and Advances as restated as appearing in ANNEXURE XVII to this report;
  18. Other non-current assets as restated as appearing in ANNEXURE XVIII to this report;
  19. Inventories as restated as appearing in ANNEXURE XIX to this report;
  20. Trade receivables as restated as appearing in ANNEXURE XX to this report;
  21. Cash & cash equivalents as restated as appearing in ANNEXURE XXI to this report;
  22. Short-term loans & advances as restated as appearing in ANNEXURE XXII to this report;
  23. Other current assets as restated as appearing in ANNEXURE XXIII to this report;
  24. Revenue from operations as restated as appearing in ANNEXURE XXIV to this report;
  25. Other income as restated as appearing in ANNEXURE XXV to this report;
  26. Cost of Service provided as restated as appearing in ANNEXURE XXVI to this report;
  27. Changes in inventories of stock in trade as restated as appearing in ANNEXURE XXVII to this report;
  28. Employees benefit expenses as restated as appearing in ANNEXURE XXVIII to this report;
  29. Finance costs as restated as appearing in ANNEXURE XXIX to this report;
  30. Depreciation and amortization expenses as restated as appearing in ANNEXURE XXX to this report;
  31. Other expenses as restated as appearing in ANNEXURE XXXI to this report;
  32. Contingent liabilities as restated as appearing in ANNEXURE XXXII to this report;
  33. Related party transactions as restated as appearing in ANNEXURE XXXIII to this report;
  34. Tax shelter as restated as appearing in ANNEXURE XXXIV to this report;
  35. Capitalisation statement as at 30th September, 2024 as restated as appearing in ANNEXURE XXXV to this report;
  36. Statement of accounting ratios & additional Information as restated as appearing in ANNEXURE XXXVI to this report,
  37. Additional Regulatory Information as restated as appearing in ANNEXURE XXXVII to this report,
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned above.
  10. 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.

11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. In our opinion, the above financial information contained in Annexure I to XXXVII of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

**M/s GMCS & Co.**  
Chartered Accountants  
Firm Registration No: 141236W

**Sd/-**

**Amit Bansal**  
Partner  
M. No. 424232  
UDIN: **24424232BKCXHK6303**  
Date: 11<sup>th</sup> December 2024  
Place: Mumbai

**ANNEXURE – I**  
**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED** (₹ In Lakhs)

Particulars	Annexure No.	As at September 30, 2024	As at March 31,		
			2024	2023	2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	V	504.00	504.00	504.00	504.00
(b) Reserves and Surplus	VI	3,318.37	2,706.24	1,922.52	1,502.67
<b>(2) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	VII	31.63	45.43	8.17	-
(b) Other Long -Term Liabilities	IX	112.43	150.88	15.00	15.00
(c) Long Term Provision	X	30.86	25.42	23.68	25.21
<b>(4) Current Liabilities</b>					
(a) Short Term Borrowing	XI	1,517.48	2,267.47	3,257.13	1,524.53
(b) Trade Payables					
(i) Due to Micro and Small Enterprises	XII	494.98	350.95	1,054.20	169.17
(ii) Due to Others than Micro and Small Enterprises	XII	627.91	448.05	502.46	1,550.50
(c) Other Current Liabilities	XIII	1,523.02	2,525.74	2,112.82	1,324.62
(d) Short Term Provisions	XIV	85.92	152.84	4.09	64.63
<b>Total Equity and Liabilities</b>		<b>8,246.58</b>	<b>9,177.04</b>	<b>9,404.05</b>	<b>6,680.33</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	XV	1,485.18	1,591.68	1,391.11	1,389.88
(ii) Intangible Assets		46.69	48.74	17.64	30.43
(iii) Capital work in Progress		-	51.15	-	-
(b) Non-Current Investment	XVI	10.80	10.80	10.00	10.01
(c) Deferred Tax Assets (Net)	VIII	43.35	51.60	51.25	52.67
(d) Long Term Loans and Advances	XVII	35.00	35.00	35.00	35.00
(e) Other Non-Current Assets	XVIII	1,200.70	138.35	1,116.32	1,439.71
<b>(2) Current Assets</b>					
(a) Current Investments		-	-	-	-
(b) Inventories	XIX	2,061.96	2,194.00	912.69	687.10
(c) Trade Receivables	XX	2,688.88	1,795.44	1,853.85	2,082.33
(d) Cash and Bank Balances	XXI	489.49	1,728.74	2,467.91	659.05
(e) Short Term Loans and Advances	XXII	120.12	1,505.57	1,288.15	158.19
(f) Other Current Assets	XXIII	64.42	25.98	260.13	135.97
<b>Total</b>		<b>8,246.58</b>	<b>9,177.04</b>	<b>9,404.05</b>	<b>6,680.33</b>

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

*(Rs. in Lakhs)*

Sr. No.	Particulars	Annexure No.	For the period ended September 30, 2024	For the year ended March 31,		
				2024	2023	2022
<b>A</b>	<b><u>Income:</u></b>					
	Revenue From Operations	XXIV	5,835.38	11,527.96	7,780.75	9,416.29
	Other Income	XXV	213.26	343.56	454.72	293.04
	<b>Total Income</b>		<b>6,048.64</b>	<b>11,871.51</b>	<b>8,235.46</b>	<b>9,709.33</b>
	<b><u>Expenses:</u></b>					
<b>B</b>	Cost of Material Consumed	XXVI	2,886.68	7,690.27	4,503.41	5,356.23
	Changes in inventories of Work in progress	XXVII	160.83	-1,164.57	-140.06	159.00
	Employee Benefit Expenses	XXVIII	822.84	1,402.12	1,214.22	1,188.01
	Finance Cost	XXIX	84.37	238.34	183.42	146.03
	Depreciation and Amortization Expenses	XXX	130.54	233.82	196.12	227.07
	Other Expenses	XXXI	1,135.60	2,349.53	1,732.25	1,910.32
	<b>Total Expenses</b>		<b>5,220.85</b>	<b>10,749.52</b>	<b>7,689.36</b>	<b>8,986.66</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>		<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
	Less: Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>		<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
	Extra ordinary items		-	-	-	-
<b>D</b>	<b>Profit before tax</b>		<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
	<b>Tax expense:</b>					
	Current tax Provision		207.42	338.62	124.84	182.46
	Deferred Tax		8.25	-0.35	1.42	-5.70
	<b>Profit/(Loss) for the period After Tax- PAT</b>		<b>612.13</b>	<b>783.72</b>	<b>419.84</b>	<b>545.91</b>
	No. of Shares (in lakhs)		151.20	151.20	151.20	151.20
<b>E</b>	<b>Earning per Equity Share: Basic/Diluted</b>					
	(1) Basic		4.05	5.18	2.78	3.61
	(2) Diluted		4.05	5.18	2.78	3.61

**ANNEXURE – III**  
**RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Cash Flow from Operating Activities:</b>				
Net Profit before tax as per Profit and Loss A/c	827.79	1,122.00	546.11	722.67
<b>Adjustments for:</b>				
Gratuity	7.69	9.20	3.29	9.33
Depreciation & Amortization Expense	130.54	233.82	196.12	227.07
(Profit)/Loss on Sales Property, Plant and Equipment's	-55.49	-6.68	-	-0.06
Rent Received	-109.86	-68.73	-270.22	-132.28
Interest Income	-46.03	-146.88	-164.58	-135.80
Finance Cost	84.37	238.34	183.42	146.03
<b>Operating Profit Before Working Capital Changes</b>	<b>839.01</b>	<b>1,381.08</b>	<b>494.13</b>	<b>836.96</b>
Change in working Capital -Adjusted for (Increase)/Decrease in:				
Provisions	-69.18	141.30	-65.36	-26.58
Trade Receivables	-893.44	58.41	228.48	-812.59
Inventories	132.04	-1,281.30	-225.59	169.46
Other Current assets	-38.44	234.15	-124.17	-135.97
Other Non-current Assets	-1,062.35	977.97	323.39	117.42
Trade Payables	323.88	-757.65	-163.01	-433.41
Other long-term Liabilities	-38.46	135.88	-	15.00
Other Current Liabilities	-1,002.73	412.92	788.20	176.36
Long term Loans & Advances	-	-	-	-35.00
Short Term Loans & Advances	1,385.45	-217.42	-1,129.96	208.13
<b>Cash Generated from Operations</b>	<b>-424.22</b>	<b>1,085.34</b>	<b>126.11</b>	<b>79.77</b>
Appropriation of Profit	-	-	-	-
Net Income Tax paid/ refunded	207.42	338.62	124.84	182.46
<b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>	<b>-631.63</b>	<b>746.72</b>	<b>1.27</b>	<b>-102.69</b>
<b>Cash Flow from Investing Activities:</b>				
Purchase of Property, Plant and Equipment's (including capital work in progress & Intangible assets)	-15.35	-535.11	-187.85	-131.15
Sale of Property, Plant and Equipment's	100.00	25.13	3.29	1.90
Rent Income	109.86	68.73	270.22	132.28
Non-current Investment	-	-0.80	0.01	-
Interest Income	46.03	146.88	164.58	135.80
<b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>	<b>240.55</b>	<b>-295.16</b>	<b>250.26</b>	<b>138.82</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds from Long term Borrowings (including Current Maturity)	-	52.00	11.00	-
Repayment of Long-term Borrowings (including Current Maturity)	-13.80	-14.73	-2.83	-682.46
Net Increase/Decrease) in Short Term Borrowing	-750.00	-989.66	1,732.59	1,284.13
Interest Paid	-84.37	-238.34	-183.42	-146.03
<b>Net Cash Flow from/ (used in) Financing Activities (C)</b>	<b>-848.16</b>	<b>-1,190.73</b>	<b>1,557.34</b>	<b>455.64</b>
Net Increase/Decrease) in Cash & Bank balance (A+B+C)	-1,239.25	-739.17	1,808.87	491.78
Cash & Bank balance As at Beginning of the Year	1,728.74	2,467.91	659.05	167.27
Cash & Bank Balance as At End of the Year	<b>489.49</b>	<b>1,728.74</b>	<b>2,467.91</b>	<b>659.05</b>

**Notes:**

<b>1. Components of Cash &amp; Bank Balance</b>	<b>For the period ended September 30, 2024</b>	<b>For the year ended March 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Cash &amp; Cash Equivalents</b>				
Cash on Hand	0.59	0.72	0.59	4.55
Bank Balance	14.37	94.87	220.83	43.92
Fixed Deposits	27.35	241.16	292.90	59.43
<b>Other Bank Balances:</b>				
Deposits with original maturity for more than 3 months but less than 12 months	447.18	1,391.99	1,953.58	551.15
<b>Total</b>	<b>489.49</b>	<b>1,728.74</b>	<b>2,467.91</b>	<b>659.05</b>

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.



**ANNEXURE – IV**  
**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED**  
**FINANCIAL INFORMATION**

**COMPANY OVERVIEW**

**Patil Automation Limited (Formerly Known as Patil Automation Private Limited)** was, incorporated on 22th July 2015 having its registered office at GAT NO 154, Behind G.E. Company, Sudumbre Tal Maval, Pune, Maharashtra, India, 412109 and is engaged in the business of designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling systems and special-purpose machinery.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Financial Statements:**

The Restated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended September 30, 2024, and the year ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the company.

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

**B. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**C. ACCOUNTING CONVENTION**

The Company follows the mercantile system of accounting, recognizing income and expenditure on an accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these restated financial statements:

**1. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair

value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

## **2. Property, Plant and Equipment**

a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;

b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;

c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;

d) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;

e) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.

f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

## **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **4. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

Defined-contribution plans:

All short-term employee benefits are accounted on an undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on an accrual basis.

The Group has made a provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end.

## **5. Inventory**

**Raw Material, Store & Spares etc.**

Stock of materials, etc. has been valued at net realisable value. The Cost is determined on weighted average basis method. The cost includes all cost of purchase and incidental expenses to bring the inventory in present condition and present location. This cost also excludes the GST credit which is already availed.

#### **Work in Progress**

Work in progress is valued at weighted average cost or net realisable value. Cost includes the Direct Material, Labour cost & proportion of manufacturing overheads based on the normal operating capacity.

#### **Finished Goods**

Finished Goods are valued at net realisable value whichever is lower. Cost includes the Direct Material, Labour cost & proportion of manufacturing overheads based on the normal operating capacity. This cost excludes the GST credit which is already availed.

### **6. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### **7. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

### **8. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

### **9. EARNINGS PER SHARE**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **9. FOREIGN EXCHANGE TRANSACTIONS**

The Company is exposed to foreign currency transactions including foreign currency revenues, and receivables.

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising from foreign exchange transactions settled during the period are recognized in the statement of profit and loss for the period.

### 13. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably stimulated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure of a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of an outflow of resources is remote, no provision or disclosure is made.

### 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 13. SEGMENT REPORTING

The company operates in one single segment hence no requirement of segment reporting.

### 14. EMPLOYEE BENEFITS

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

	(Rs.in Lakhs)			
Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>1.The amounts recognized in the Balance Sheet are as follows:</b>				
Present value of unfunded obligations Recognized	36.01	29.96	27.76	29.23
<b>Net Liability</b>	<b>36.01</b>	<b>29.96</b>	<b>27.76</b>	<b>29.23</b>
<b>2.The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>				
Current Service Cost	4.58	7.12	5.72	6.78
Interest on Defined Benefit Obligation	1.07	2.04	1.99	1.25
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	2.05	0.04	-4.42	1.73
Total, Included in "Salaries, Allowances & Welfare"	<b>7.69</b>	<b>9.20</b>	<b>3.29</b>	<b>9.76</b>
<b>3.Changes in the present value of defined benefit obligation:</b>				
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	29.96	27.76	29.23	19.47
Service cost	4.58	7.12	5.72	6.78
Interest cost	1.07	2.04	1.99	1.25
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	2.05	0.04	-4.42	1.73
Benefit paid by the Company	-1.64	-7.01	-4.76	-
Contribution made by the Company	-	-	-	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>36.01</b>	<b>29.96</b>	<b>27.76</b>	<b>29.23</b>

<b>Benefit Description</b>				
Benefit type:	<b>Gratuity Valuation as per Actuarial</b>			
Retirement Age:	<b>60 years</b>	<b>60 years</b>	<b>60 years</b>	<b>60 years</b>
Vesting Period:	<b>5 years</b>	<b>5 years</b>	<b>5 years</b>	<b>5 years</b>
<b>The principal actuarial assumptions for the above are:</b>				
Future Salary Rise:	<b>3.00% P.A.</b>	<b>3.00% P.A.</b>	<b>3.00% P.A.</b>	<b>3.00% P.A.</b>
Discount rate per annum:	<b>6.93%P.A.</b>	<b>7.13%P.A.</b>	<b>7.35%P.A.</b>	<b>6.81%P.A.</b>
Attrition Rate:	<b>15% P.A. depending on age</b>			
Mortality Rate:	<b>100% of IALM (2012-2014)</b>			
Current liability	5.15	4.53	4.09	4.03
Non-Current liability	30.86	25.42	23.68	25.21

## II. NOTES RESTATED SUMMARY STATEMENTS:

### 1. **Contingent liabilities and commitments (to the extent not provided for)**

A disclosure of a contingent liability reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources.

### 2. **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has disclosed the same as required by Schedule III to the Companies Act, 2013.

### 3. **Related Party Transactions**

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-XXXIII of the enclosed financial statements.

### 4. **Auditors' Remuneration :**

(Rs. In Lakhs)

<b>Particulars</b>	<b>For the period ended 30<sup>th</sup> September, 2024</b>	<b>For the Year Ended</b>		
		<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Statutory & Tax Audit fees	1.75	1.50	1.50	1.00
<b>Total</b>	<b>1.75</b>	<b>1.50</b>	<b>1.50</b>	<b>1.00</b>

5. Figures have been rearranged and regrouped wherever practicable and considered necessary.

6. 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 to be provided for.

7. The balance of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of the respective parties concerned.

### 8. **Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value for realization of current assets and loans and advances are approximately of the same value as stated.

#### 9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

#### 10. Impact of Audit Qualifications/Observations on Statutory Auditor's Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor's Report for the six months period ended Sept.'24 and F.Y. 2023-24, 2022-23 and 2021-22 which require adjustments in restated financial statements.

#### 11. Amounts in the Restated Financial Statements

Amounts in the Financial Statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

#### **RECONCILIATION OF RESTATED PROFIT:**

(Rs In Lakhs)

Adjustments for	For the period ended 30 <sup>th</sup> September, 2024	For the Year Ended		
		2023-24	2022-23	2021-22
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	612.13	757.53	412.18	538.89
<b><u>Adjustments for:</u></b>				
Short/Excess Provision for tax	-	5.55	2.57	0.00
Deferred Tax	-	10.11	-1.74	-3.57
Leave Encashment	-	10.54	16.99	-
Gratuity	-	-	-10.16	10.59
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>612.13</b>	<b>783.72</b>	<b>419.84</b>	<b>545.91</b>

1. The provision for gratuity has been made in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits
2. The company does not provide for leave encashment as per its HR policy. Accordingly, the provision for leave encashment previously recognized has been reversed in compliance with the company's policy, and no liability is recognized in this regard.
3. Due to Gratuity provision the deferred tax component on the same has also undergone change.
4. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years.

#### **RECONCILIATION OF EQUITY AND RESERVES:**

(Rs in lakhs)

Adjustments for	For the period ended 30 <sup>th</sup> September, 2024	For the Year Ended		
		2023-24	2022-23	2021-22
Equity and Reserve as per Audited Balance sheet	3,822.37	3,169.78	2,412.26	2,000.08
<b><u>Adjustments for:</u></b>				

Differences Due to Change in P&L	-	26.20	7.67	7.02
Prior period Adjustments (Refer Note-1)	-	14.26	6.59	-0.43
<b>Equity and Reserve as per Re-stated Balance sheet</b>	<b>3,822.37</b>	<b>3,210.24</b>	<b>2,426.52</b>	<b>2,006.67</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit:**

**Note: 1**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of the change in the Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

**To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the Restated Financial Statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

**ANNEXURE-IV A  
RECONCILIATION OF RESTATED PROFIT**

(Rs In Lakhs)

Adjustments for	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	612.13	757.53	412.18	538.89
<b>Adjustments for:</b>				
Short/Excess Provision for tax	-	5.55	2.57	0.00
Deferred Tax	-	10.11	-1.74	-3.57
Leave Encashment	-	10.54	16.99	-
Gratuity	-	-	-10.16	10.59
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>612.13</b>	<b>783.72</b>	<b>419.84</b>	<b>545.91</b>

**ANNEXURE-IV B  
RECONCILIATION OF EQUITY AND RESERVES**

(Rs In Lakhs)

Adjustments for	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Equity and Reserves as per Audited Balance sheet	3,822.37	3,169.78	2,412.26	2,000.08
<b>Adjustments for:</b>				
Differences Due to Change in P&L	-	26.20	7.67	7.02
Prior period Adjustments	-0.00	14.26	6.59	-0.43
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>3,822.37</b>	<b>3,210.24</b>	<b>2,426.52</b>	<b>2,006.67</b>

**ANNEXURE – V  
DETAILS OF SHARE CAPITAL AS RESTATED**

(₹ In Lakhs, Except no of share)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>EQUITY SHARE CAPITAL:</b>				
<b>AUTHORISED:</b>				
55,00,000 Equity Shares, of Rs. 10 each	550.00	550.00	550.00	550.00
<b>Total</b>	<b>550.00</b>	<b>550.00</b>	<b>550.00</b>	<b>550.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
50,40,000 Equity Shares, of Rs. 10 each	504.00	504.00	504.00	504.00
<b>Total</b>	<b>504.00</b>	<b>504.00</b>	<b>504.00</b>	<b>504.00</b>

**i) Reconciliation of number of shares**

Particulars		As at March 31,



	As at September 30, 2024	2024	2023	2022
Equity Shares at the beginning of the year	5,040,000	5,040,000	5,040,000	5,040,000
Add: Shares issued during the year	-	-	-	-
<b>TOTAL</b>	<b>5,040,000</b>	<b>5,040,000</b>	<b>5,040,000</b>	<b>5,040,000</b>

**ii) Rights, preferences and restrictions attached to shares**

"Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding."

**iii) Equity shares movement during the preceding 5 years**

Nil

**iv) Details of Promoter Holding Shares:**

Name of Shareholder	30-Sep-24		31-Mar-24		31-Mar-23		31-Mar-22	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Aarti Patil	990500	19.65%	990500	19.65%	990500	19.65%	990500	19.65%
Manoj Patil	4049500	80.35%	4049500	80.35%	4049500	80.35%	4049500	80.35%
<b>Total</b>	<b>5,040,000</b>	<b>100.00%</b>	<b>5,040,000</b>	<b>100.00%</b>	<b>5,040,000</b>	<b>100.00%</b>	<b>5,040,000</b>	<b>100.00%</b>

**v) Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholder	30-Sep-24		31-Mar-24		31-Mar-23		31-Mar-22	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Aarti Patil	990500	19.65%	990500	19.65%	990500	19.65%	990500	19.65%
Manoj Patil	4049500	80.35%	4049500	80.35%	4049500	80.35%	4049500	80.35%
<b>Total</b>	<b>5,040,000</b>	<b>100.00%</b>	<b>5,040,000</b>	<b>100.00%</b>	<b>5,040,000</b>	<b>100.00%</b>	<b>5,040,000</b>	<b>100.00%</b>

**ANNEXURE – VI  
DETAILS OF RESERVE & SURPLUS AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Statement of Profit and loss:</b>				
Opening Balance	2,706.24	1,922.52	1,502.67	957.19
Add - Current Year profit	612.13	783.72	419.84	545.91
Add/Less: Previous Year Restated Profit	-	-	-	-0.43
<b>Closing Balance</b>	<b>3,318.37</b>	<b>2,706.24</b>	<b>1,922.52</b>	<b>1,502.67</b>
<b>TOTAL</b>	<b>3,318.37</b>	<b>2,706.24</b>	<b>1,922.52</b>	<b>1,502.67</b>

**ANNEXURE – VII  
DETAILS OF LONG-TERM BORROWING**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b><u>Secured Loans (from banks)</u></b>				
Car Loan	31.63	45.43	8.17	-
<b>TOTAL</b>	<b>31.63</b>	<b>45.43</b>	<b>8.17</b>	-

For Long term Borrowing see Annexure VII(a) & VII(b).

**ANNEXURE VII(A) & VII(B)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED & UNSECURED LOANS AND ASSETS CHARGED AS SECURITY**

**Secured Loan**

**(₹ In Lakhs)**

S r. N o.	Name of Lender	Purpose	Sanction Date	Sanctio ned Amoun t	Rate of inter est (star ting ROI)	Prima ry & Collat eral Securi ty	Re- Pay ment Sched ule	Morato rium	30th Septemb er, 2024	As at March 31,		
										2024	2023	2022
1	ICICI BANK LTD	Working capital	7-Jun-24	500.00	9.25 %	Note A	On Dema nd	NA	469.77	569.77	351.05	388.21
2	ICICI BANK LTD	DL OD for Working Capital	7-Jun-24	506.60	9.25 %	Note A	On Month ly Basis over a period of 60 Month s	NA	-	529.91	674.19	-
3	THE UDYAM VIKAS SAHAKARI BANK LTD	FD OD	03rd April 2019	190.00	9.25 %	Note B	On Dema nd	NA	-	-	-	185.07
4	THE UDYAM VIKAS SAHAKARI BANK LTD	FD OD	27th May 2021	427.50	9.75 %	Note B	On Dema nd	NA	-	-	-	430.48
5	THE UDYAM VIKAS SAHAKARI BANK LTD	FD OD	04th June 2021	237.50	8.10 %	Note B	On Dema nd	NA	-	-	-	239.28
6	BARAMATI SAHAKARI BANK LTD	FD OD	2-Nov-21	445.00	7.55 %	Note B	On Dema nd	NA	-	-	406.79	281.49
7	THE UDYAM VIKAS SAHAKARI BANK LTD	FD OD	28th July 2022	855.00	7.50 %	Note B	On Dema nd	NA	-	-	817.06	-

8	ICICI BANK LTD	FD OD	29th July 2022	855.00	7.75 %	Note B	On Demand	NA	763.37	712.89	826.23	-
9	YES BANK LTD	FD OD	24-Nov-22	180.00	7.00 %	Note B	On Demand	NA	-	160.39	179.43	-
10	BARAMATI SAHAKARI BANK LTD	Car Purchase	05th Jan 2021	11.00	10.50 %	Hypothesis of Car	Repayment in 48 EMIs of Rs.32000	NA	6.07	7.64	10.54	-
11	THE UDYAM VIKAS SAHAKARI BANK LTD	FD OD	23-Oct-23	285.00	7.50 %	Note B	On Demand	NA	281.42	284.90	-	-
12	BARAMATI SAHAKARI BANK LTD	Car Purchase	08th Aug 2023	32.00	11.50 %	Hypothesis of Car	Repayment in 84 EMIs of Rs.56000	NA	28.48	30.16	-	-
13	HDFC BANK LTD	Car Purchase	04th May 2023	20.00	8.70 %	Hypothesis of Car	Repayment in 60 EMIs of Rs.41226	NA	-	17.24	-	-
	<b>TOTAL</b>								<b>1549.11</b>	<b>2312.91</b>	<b>3265.29</b>	<b>1524.53</b>

**Note – There is no Unsecured loan in the Company for the respective period/fiscal years.**

**Security Details:**

**A Primary Security**

**Immovable Fixed Assets:**

- 1) Gat No 154, Behind GE Company Phase II, Sudumbare, Tal. Maval, Dist. Pune 412109.
- 2) Flat No 701, 7th Floor P3 Building, Empire Estate, Mumbai Pune Highway, Chinchwad, Pune 411018
- 3) Flat No 1302, 13th Floor, Tower No. 22, Lodha Belmondo, Gahunje, Tal. Lonawada, Pune 411018

**Other:**

- 4) Exclusive charge in favor of the Bank by way of hypothecation of the firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future and fixed assets in a form and manner satisfactory to the Bank.
- 5) Hypothecation of charge on fixed assets (existing & future to be purchased, excluding vehicles and assets funded by another bank) is to be done.
- 6) Personal guarantees of:  
Manoj Patil and Aarti Patil residing at B2 / 504, Atul Nagar, Mumbai Bangalore Highway, Opp Cipla Foundation, Warje, Pune 411058
  - The collateral security offered for Mr. Manoj Pandurang Patil is to cover the limits provided to the Term Loan and vice versa. Property mortgaged with ICICI Bank located at - shall not be released unless Loan of Rs. 60.0 mn in the Name of entity Term Loan vide Account No.603090039664 are repaid in full. Cross collateralization process as defined in internal guidelines to be followed
  - The collateral security offered for Manoj Pandurang Patil is to cover the limits provided to the Dropline Overdraft and vice versa. Property mortgaged with ICICI Bank located at - shall not be released unless Loan of Rs. 40.0 mn in the Name of entity Dropline Overdraft vide Account No.032105022112 are repaid in full. Cross collateralization process as defined in internal guidelines to be followed.

**C Primary Security**

- 1 Udyam Vikas Bank FD No. 36-63/36-64/36-65 FD Rs. 3 Cr for OD 2.85 Cr
- 2 Udyam Vikas Bank FD No. 36-66/36-72/36-2502 FD Rs. 9 Cr for OD 8.55 CR
- 3 Udyam Vikas Bank FD No. 36-72 FD Rs. 4.50 Cr & OD Rs. 4.275 Cr
- 4 Udyam Vikas Bank FD No. 36-2502 FD Rs. 2.50Cr & OD Rs.2.37 Cr
- 5 Baramati Sahakari Bank FD No. 204-456 / 204-475 FD Rs. 5 Cr & OD Rs. 4.45 Cr
- 6 ICICI BANK LTD FD NO. 05081301440 FD Rs. 9 Cr for OD 8.55 Cr
- 7 YES BANK LTD 5 FD Rs. 2.06 Cr & OD Rs. 1.80 Cr

**ANNEXURE – VIII**  
**DETAILS OF DEFERRED TAX ASSET/(LIABILITIES) AS RESTATED**  
(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Deferred Tax (Liability) / Asset	43.35	51.60	51.25	52.67
<b>Closing Total</b>	<b>43.35</b>	<b>51.60</b>	<b>51.25</b>	<b>52.67</b>

**ANNEXURE – IX**  
**DETAILS OF OTHER LONG-TERM LIABILITIES**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Deposit for factory premises	112.43	150.88	15.00	15.00
<b>TOTAL</b>	<b>112.43</b>	<b>150.88</b>	<b>15.00</b>	<b>15.00</b>

**ANNEXURE – X**  
**DETAILS OF OTHER LONG-TERM PROVISION**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Provision for Gratuity	30.86	25.42	23.68	25.21
<b>TOTAL</b>	<b>30.86</b>	<b>25.42</b>	<b>23.68</b>	<b>25.21</b>

**ANNEXURE – XI**  
**DETAILS OF SHORT-TERM BORROWING AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Secured Loan</b>				
Cash Credit, Overdraft	1,514.55	2,257.87	3,254.75	1,524.53
Current Maturities of Long-Term borrowings	2.92	9.60	2.38	-
<b>Total</b>	<b>1,517.48</b>	<b>2,267.47</b>	<b>3,257.13</b>	<b>1,524.53</b>

For Short term Borrowing see Annexure VII(a) & VII(b).

**ANNEXURE – XII**  
**DETAILS OF TRADE PAYABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
For micro & small enterprises	494.98	350.95	1,054.20	169.17
For Other than micro & small enterprises	627.91	448.05	502.46	1,550.50
<b>TOTAL</b>	<b>1,122.88</b>	<b>799.01</b>	<b>1,556.66</b>	<b>1,719.67</b>

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Outstanding for following periods from due date of payment</b>				
<b>(i) MSME</b>				
Less than 1 year	491.38	350.95	1,053.36	169.17
1-2 years	3.60	-	0.84	0.00
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>494.98</b>	<b>350.95</b>	<b>1,054.20</b>	<b>169.17</b>
<b>(ii) Others</b>	-	-	-	-
Less than 1 year	621.21	441.35	494.83	1,536.23
1-2 years	-	6.70	7.64	12.58
2-3 years	6.70	-	-	1.70
More than 3 years	-	-	-	-
<b>Total</b>	<b>627.91</b>	<b>448.05</b>	<b>502.46</b>	<b>1,550.50</b>
<b>(iii) Disputed dues – MSME</b>				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iv) Disputed dues - Others</b>				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>1,122.88</b>	<b>799.01</b>	<b>1,556.66</b>	<b>1,719.67</b>

2. The information required to be disclosed under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with company. The details of the amount outstanding to Micro & Small Enterprises are as under: -

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Principal amount from Micro and Small Enterprises	494.98	350.95	1,054.20	169.17
Interest due on above and the unpaid interest	-	-	-	-
Interest paid	-	-	-	-
Payment made beyond the appointed day during the year	-	-	-	-
Interest due and payable for the period of delay	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-	-

3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

**ANNEXURE – XIII**  
**DETAILS OF OTHER CURRENT LIABILITES AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Current maturities of long-term loans		-	-	-
Statutory Due Payable	238.87	29.77	23.19	26.90
Advance from Customers	611.37	1,956.71	1,861.74	687.28
Advance Received for Land Sale	350.00	290.00	-	-
Other Payable	211.15	137.03	135.17	517.64
Payable to employees	111.63	112.23	92.72	92.79
	<b>1,523.02</b>	<b>2,525.74</b>	<b>2,112.82</b>	<b>1,324.62</b>

**ANNEXURE – XIV**  
**DETAILS OF SHORT-TERM PROVISION AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Provision for Gratuity	5.15	4.53	4.09	4.03
Provision for Income Tax (Net of Advance Tax and TDS)	80.77	148.31	-	60.60
<b>Closing Balance</b>	<b>85.92</b>	<b>152.84</b>	<b>4.09</b>	<b>64.63</b>



**ANNEXURE XV  
DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED**

As at 31.03.2022

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2021	Additions	Deletion	As at 31st March 2022	As at 1st April 2021	For the year	Adjustment*	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Land	291.12	-	-	291.12	-	-	-	-	291.12	291.12
Buildings	952.01	60.73	-	1,012.74	256.23	67.77	-	324.00	688.74	695.78
Plant And Machinery	658.12	6.87	-	664.99	353.75	55.84	-	409.59	255.40	304.37
Furniture And Fittings	77.17	24.44	-	101.60	48.65	12.86	-	61.50	40.10	28.52
Motor Vehicles	212.84	-	-	212.84	147.01	20.71	-	167.71	45.13	65.83
Office Equipment	61.33	14.52	-	75.85	55.77	6.21	-	61.98	13.87	5.56
Computers And Data Processing Units	131.57	8.67	-	140.25	114.26	10.60	-	124.85	15.39	17.32
Electrical Installations and Equipment	130.08	-	4.25	125.83	73.48	14.62	2.41	85.69	40.14	56.60
<b>GRAND TOTAL</b>	<b>2,514.24</b>	<b>115.22</b>	<b>4.25</b>	<b>2,625.21</b>	<b>1,049.15</b>	<b>188.59</b>	<b>2.41</b>	<b>1,235.33</b>	<b>1,389.88</b>	<b>1,465.09</b>

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2021	Addition	Deletion	As at 31st March 2022	As on 1st April 2021	For the year	Adjustment*	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Intangible Assets	155.34	32.00	-	187.34	118.43	38.48	-	156.91	30.43	36.91

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2021	Addition	Deletion	As at 31st March 2022	As on 1st April 2021	For the year	Adjustment*	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Capital Work in Progress	16.07	40.99	57.06	-	-	-	-	-	-	16.07

**CWIP aging schedule**

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

Projects temporarily suspended	-	-	-	-	-
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As at 31.03.2023

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 1st April 2022	Additions	Deletion	As at 31st March 2023	As at 1st April 2022	For the year	Adjustment*	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Land	291.12	-	-	291.12	-	-	-	-	291.12	291.12
Buildings	1,012.74	-	-	1,012.74	324.00	65.42	-	389.42	623.32	688.74
Plant And Machinery	664.99	139.21	-	804.20	409.59	63.59	-	473.18	331.01	255.40
Furniture And Fittings	101.60	12.03	-	113.64	61.50	10.93	-	72.44	41.20	40.10
Motor Vehicles	212.84	17.44	-	230.28	167.71	15.47	-	183.18	47.10	45.13
Office Equipment	75.85	7.59	6.10	77.33	61.98	5.40	2.81	64.57	12.76	13.87
Computers And Data Processing Units	140.25	7.31	-	147.55	124.85	8.33	-	133.18	14.37	15.39
Electrical Installations and Equipment	125.83	0.55	-	126.38	85.69	10.46	-	96.14	30.23	40.14
<b>GRAND TOTAL</b>	<b>2,625.21</b>	<b>184.12</b>	<b>6.10</b>	<b>2,803.23</b>	<b>1,235.33</b>	<b>179.61</b>	<b>2.81</b>	<b>1,412.12</b>	<b>1,391.11</b>	<b>1,389.88</b>

Particulars	Gross Block				Depreciation and Amortization			Net Block		
	As at 1st April 2022	Additions	Deletion	As at 31st March 2023	As at 1st April 2022	For the year	Adjustment*	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Intangible Assets	187.34	3.72	-	191.07	156.91	16.51	-	173.42	17.64	30.43

Particulars	Gross Block				Depreciation and Amortization			Net Block		
	As at 1st April 2022	Additions	Deletion	As at 31st March 2023	As at 1st April 2022	For the year	Adjustment*	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-

**CWIP aging schedule**

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31.03.2024

(₹ In Lakhs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at April 1,2023	Additions	Deletion	As at March 31,2024	As at April 1,2023	For the year	Adjustment*	As at March 31,2024	As at March 31,2024	As at March 31,2023
Land	291.12	-	-	291.12	-	-	-	-	291.12	291.12
Buildings	1,012.74	98.82	-	1,111.56	389.42	66.21	-	455.64	655.92	623.32
Plant And Machinery	804.20	27.00	-	831.20	473.18	60.93	-	534.12	297.09	331.01
Furniture And Fittings	113.64	9.03	-	122.67	72.44	12.27	-	84.71	37.96	41.20
Motor Vehicles	230.28	226.85	139.83	317.30	183.18	38.55	121.38	100.36	216.94	47.10
Office Equipment	77.33	33.71	-	111.04	64.57	6.55	-	71.12	39.92	12.76
Computers And Data Processing Units	147.55	29.54	-	177.09	133.18	13.57	-	146.76	30.34	14.37
Electrical Installations and Equipment	126.38	-	-	126.38	96.14	7.83	-	103.97	22.41	30.23
<b>GRAND TOTAL</b>	<b>2,803.23</b>	<b>424.96</b>	<b>139.83</b>	<b>3,088.35</b>	<b>1,412.12</b>	<b>205.92</b>	<b>121.38</b>	<b>1,496.67</b>	<b>1,591.68</b>	<b>1,391.11</b>

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at April 1,2023	Additions	Deletion	As at March 31,2024	As at April 1,2023	For the year	Adjustment*	As at March 31,2024	As at March 31,2024	As at March 31,2023
Intangible Assets	191.07	59.00	-	250.07	173.42	27.90	-	201.33	48.74	17.64

Particulars	As at 1st April 2023	Addition	Deletion	As at 31st March 2024	As on 1st April 2023	For the year	Adjustment*	As at 31st March 2023	As at 1st April 2023	As at 31st March 2024
Capital Work in Progress	-	51.15	-	51.15	-	-	-	-	51.15	-

**CWIP aging schedule**

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	51.15	-	-	-	51.15
Projects temporarily suspended	-	-	-	-	-

As at 30th September 2024

(₹ In Lakhs)

Particulars	Gross Block	Depreciation and Amortization	Net Block
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	As at 1st April 2024	Addition	Deletion	As at September 30,2024	As on 1st April 2024	For the year	Adjustment *	As at September 30,2024	As at September 30,2024	As at March 31,2024
Land	291.12	-	44.51	246.61	-	-	-	-	246.61	291.12
Buildings	1,111.56	51.15	-	1,162.71	455.64	33.24	-	488.87	673.84	655.92
Plant And Machinery	831.20	1.13	-	832.33	534.12	26.65	-	560.77	271.57	297.09
Furniture And Fittings	122.67	-	-	122.67	84.71	4.86	-	89.57	33.10	37.96
Motor Vehicles	317.30	0.93	-	318.23	100.36	33.60	-	133.96	184.27	216.94
Office Equipment	111.04	1.89	-	112.93	71.12	8.48	-	79.60	33.33	39.92
Computers And Data Processing Units	177.09	-	-	177.09	146.76	7.40	-	154.16	22.94	30.34
Electrical Installations and Equipment	126.38	-	-	126.38	103.97	2.87	-	106.84	19.54	22.41
<b>GRAND TOTAL</b>	<b>3,088.35</b>	<b>55.10</b>	<b>44.51</b>	<b>3,098.94</b>	<b>1,496.67</b>	<b>117.09</b>	<b>-</b>	<b>1,613.76</b>	<b>1,485.18</b>	<b>1,591.68</b>

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2024	Addition	Deletion	As at September 30,2024	As on 1st April 2023	For the year	Adjustment *	As at September 30,2024	As at September 30,2024	As at 31st March 2024
Intangible Assets	250.07	11.40	-	261.47	201.33	13.45	-	214.77	46.69	48.74

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2024	Addition	Deletion	As at September 30,2024	As on 1st April 2023	For the year	Adjustment *	As at September 30,2024	As at September 30,2024	As at 31st March 2024
Capital Work in Progress	51.15	-	51.15	-	-	-	-	-	-	51.15

**CWIP aging schedule**

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**ANNEXURE – XVI  
DETAILS OF OTHER NON-CURRENT INVESTMENT**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Investment in equity instruments	10.80	10.80	10.00	10.01
Less: Provision for diminution in value of investments	-	-	-	-
<b>TOTAL</b>	<b>10.80</b>	<b>10.80</b>	<b>10.00</b>	<b>10.01</b>

**ANNEXURE – XVII  
DETAILS OF LONG-TERM LOAN AND ADVANCES**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Unsecured Considered Good</b>				
Loans and advances to others	35.00	35.00	35.00	35.00
<b>TOTAL</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>

**ANNEXURE – XVIII  
DETAILS OF OTHER NON-CURRENT ASSETS**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Security deposits	94.26	93.56	69.40	169.09
Fixed Deposits	1,106.44	44.79	1,046.92	1,270.63
<b>TOTAL</b>	<b>1,200.70</b>	<b>138.35</b>	<b>1,116.32</b>	<b>1,439.71</b>

**ANNEXURE – XIX  
DETAILS OF INVENTORIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Inventories</b>				
Raw materials	611.06	582.27	465.54	380.00
Work in progress	1,450.90	1,611.72	447.15	307.09
Finished goods	-	-	-	-
<b>TOTAL</b>	<b>2,061.96</b>	<b>2,194</b>	<b>913</b>	<b>687</b>

**ANNEXURE – XX**  
**DETAILS OF TRADE RECEIVABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Outstanding for a period of more than 6 months</b>				
Unsecured, considered good	1,039.14	513.35	1,019.10	592.79
<b>Outstanding for a period less than 6 months</b>				
Others - unsecured, considered good	1,649.74	1,282.08	834.75	1,489.54
<b>Doubtful</b>	-	-	-	-
Less: Provision for bad and doubtful debts	-	-	-	-
<b>TOTAL</b>	<b>2,688.88</b>	<b>1,795.44</b>	<b>1,853.85</b>	<b>2,082.33</b>

**Notes:**

1. There are no unbilled trade receivables.
2. Trade Receivable Aging

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Outstanding for following periods from due date of payment</b>				
<b>(i) Undisputed Trade receivables – considered good</b>				
Less than 6 months	1,649.74	1,282.08	834.75	1,489.54
6 months - 1 year	378.58	246.57	676.07	48.88
1-2 years	492.95	166.24	218.72	395.09
2-3 years	137.94	91.20	99.69	76.42
More than 3 years	29.66	9.34	24.62	72.39
<b>Total</b>	<b>2,688.88</b>	<b>1,795.44</b>	<b>1,853.85</b>	<b>2,082.33</b>
<b>(ii) Undisputed Trade Receivables – considered doubtful</b>				
Less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iii) Disputed Trade Receivables considered good</b>				
Less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iv) Disputed Trade Receivables considered doubtful</b>				
Less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>2,688.88</b>	<b>1,795.44</b>	<b>1,853.85</b>	<b>2,082.33</b>

**ANNEXURE – XXI**  
**DETAILS OF CASH & BANK BALANCES AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Cash &amp; Cash Equivalents</b>				
Balance with banks	-	-	-	-
In Current Account	14.37	94.87	220.83	43.92
Cash in hand	0.59	0.72	0.59	4.55
Fixed Deposit Less than 3 Months	27.35	241.16	292.90	59.43
<b>Other bank balances</b>				
Fixed Deposit 3-12months	447.18	1,391.99	1,953.58	551.15
<b>Total</b>	<b>489.49</b>	<b>1,728.74</b>	<b>2,467.91</b>	<b>659.05</b>

**ANNEXURE – XXII**  
**DETAILS OF SHORT-TERM LOANS & ADVANCES AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
<b>Unsecured Considered Good</b>				
Advance to suppliers	78.81	117.84	65.70	145.13
Advances to employees	38.42	14.14	14.45	13.07
Loan to Related Party	2.89	1,373.59	1,208.00	-
<b>TOTAL</b>	<b>120</b>	<b>1,505.57</b>	<b>1,288.15</b>	<b>158.19</b>

**ANNEXURE – XXIII**  
**DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

(₹ In Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
MVAT refund receivable	-	-	36.11	36.11
Balance with custom, excise and service tax authorities	-	-	-	14.29
GST Receivable	55.64	19.30	27.18	76.41
Income tax receivable (net of provisions)	-	-	186.83	-
Prepaid expenses	8.78	6.68	10.01	9.16
<b>TOTAL</b>	<b>64.42</b>	<b>25.98</b>	<b>260.13</b>	<b>135.97</b>

**ANNEXURE - XXIV**  
**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Sales</b>				
Sale of Product	5,580.89	11,061.42	7,357.16	9,062.30
Sale of scrap	2.12	6.20	5.54	4.80
Sale of Service	252.36	460.33	418.05	349.18

<b>Breakup of revenue from sale of Goods &amp; services</b>				
Local Sale	5,782.38	11,527.96	7,743.46	8,739.09
Exports and in course of export	52.99	-	37.29	677.20
<b>Total</b>	<b>5,835.38</b>	<b>11,527.96</b>	<b>7,780.75</b>	<b>9,416.29</b>

**ANNEXURE - XXV**  
**DETAILS OF OTHER INCOME AS RESTATED**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Interest income on Fixed Deposits	46.03	139.49	163.26	119.70
Other Interest Income	-	7.40	1.32	16.10
Sale of MEIS scripts	0.27	2.73	12.54	3.70
Dividend Income	-	0.25	-	21.21
Rental Income	109.86	68.73	270.22	132.28
Profit on sale of fixed asset	55.49	6.68	-	0.06
Foreign Exchange Gain	-	-	6.03	-
Balances Written back	-	118.29	1.35	-
Other Misc. Income	1.60	-	-	-
<b>Total</b>	<b>213.26</b>	<b>343.56</b>	<b>454.72</b>	<b>293.04</b>

**ANNEXURE - XXVI**  
**DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Opening Stock	582.27	465.54	380.00	390.47
Add: Purchases	2,915.47	7,807.00	4,588.94	5,345.77
Less: Closing Stock	611.06	582.27	465.54	380.00
<b>Total</b>	<b>2,886.68</b>	<b>7,690.27</b>	<b>4,503.41</b>	<b>5,356.23</b>

**ANNEXURE - XXVII**  
**DETAILS OF CHANGE IN INVENTORIES OF WORK IN PROGRESS AS RESTATED**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Opening Stock	1,611.72	447.15	307.09	466.09
Sub Total	1,611.72	447.15	307.09	466.09
Less: Closing Stock	1,450.90	1,611.72	447.15	307.09
Sub Total	1,450.90	1,611.72	447.15	307.09
	<b>160.83</b>	<b>-1,164.57</b>	<b>-140.06</b>	<b>159.00</b>



**ANNEXURE - XXVIII**  
**DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Salaries & Wages	589.96	987.23	875.99	845.30
Directors Remuneration	119.70	190.79	190.79	190.79
Contribution to provident and other funds	25.48	44.07	38.93	39.82
Gratuity expenses	7.69	9.20	3.29	9.76
Bonus expenses	16.02	40.13	34.39	23.32
Staff welfare	63.98	130.70	70.83	79.02
<b>Total</b>	<b>822.84</b>	<b>1,402.12</b>	<b>1,214.22</b>	<b>1,188.01</b>

**ANNEXURE - XXIX**  
**DETAILS OF FINANCE COST AS RESTATED**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Interest expense</b>				
Interest on term loan	2.16	4.53	0.25	25.78
Interest on overdraft	77.80	227.58	170.89	99.37
Other borrowing costs	4.41	6.23	12.28	20.88
<b>Total</b>	<b>84.37</b>	<b>238.34</b>	<b>183.42</b>	<b>146.03</b>

**ANNEXURE - XXX**  
**DETAILS OF DEPRECIATION & AMORTIZATION**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Depreciation & Amortization	130.54	233.82	196.12	227.07
<b>Total</b>	<b>130.54</b>	<b>233.82</b>	<b>196.12</b>	<b>227.07</b>

**ANNEXURE - XXXI**  
**DETAILS OF OTHER EXPENSES AS RESTATED**  
**(₹ In Lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Manufacturing Expenses</b>				
Job work charges	147.33	284.40	162.12	222.31
Fuel charges	10.16	15.59	15.30	12.74
Power charges	32.26	56.42	31.52	51.49
Rent - factory	218.30	415.80	396.00	396.00

Rent - Machinery	23.25	41.22	-	-
Labour Charges	382.04	882.14	654.94	707.52
Designing charges	56.87	110.75	36.51	161.25
Hire charges- Crane & Machinery	0.22	9.05	3.53	3.86
Repairs & maintenance - Building	1.24	15.92	4.44	4.15
Repairs & maintenance - Machinery	7.22	15.63	12.24	15.89
Repairs & maintenance - others	0.51	2.61	1.22	2.21
<b>Selling &amp; Distribution Expenses</b>				
Sales promotion & marketing	12.49	15.56	15.81	16.27
Freight Outwards	20.86	131.41	88.56	126.67
<b>Administrative Expenses</b>				
Payment to Auditors	1.75	1.50	1.50	1.00
Courier charges	11.40	15.62	9.39	-
CSR Expenses	40.11	28.07	11.06	-
Discount	12.37	-	-	-
Insurance	6.99	5.93	3.09	5.88
Printing & stationery	0.79	2.05	1.57	9.24
Professional fees	13.57	12.61	9.87	9.42
Rent - Corporate Office Baner	19.20	25.04	-	-
Rates and taxes	0.00	3.93	3.83	3.91
Recruitment Expenses	1.76	11.11	-	-
Security expenses	22.61	33.95	23.11	24.08
Telephone & Internet charges	5.63	4.40	4.80	6.87
Travelling & conveyance	57.72	158.24	183.99	109.10
Office expenses	2.29	5.88	6.07	9.54
Other Expenses	4.31	7.82	9.80	7.26
Foreign Exchange Loss	0.39	0.00	-	1.26
Interest payable on delayed payment to MSMEs	-	-	25.95	-
Bank charges	-	4.39	1.74	1.08
Late Fees, Penalties & Interest	21.98	32.47	14.28	1.31
<b>Total</b>	<b>1,135.60</b>	<b>2,349.53</b>	<b>1,732.25</b>	<b>1,910.32</b>

**Payment to Auditors**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Statutory Audit Fee	1.25	1.00	1.00	0.75
Tax Audit Fee	0.50	0.50	0.50	0.25
<b>Total</b>	<b>1.75</b>	<b>1.50</b>	<b>1.50</b>	<b>1.00</b>

**Notes to P&L**

**1) CSR Expenditure under Section 135**

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
a) Amount required to be spent during the year	15.75	9.36	7.30	-
b) Amount of expenditure incurred	40.11	28.07	11.06	-
c) (Excess)/Short at the end of the year	-	-18.71	-3.76	-
d) Total of previous years shortfall	-	-	-	-
e) Reason for shortfall	-	-	-	-
f) Nature of CSR activities	-	Payment made under	Donation to trust for	-

		NAPS Scheme	upliftment of needy	
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**ANNEXURE XXXII**  
**DETAILS OF CONTINGENT LIABILITIES AS RESTATED**  
**(₹ In Lakhs)**

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
TDS	0.06	-	-	-
<b>TOTAL</b>	<b>0.06</b>	-	-	-

**ANNEXURE XXXIII**  
**RELATED PARTY TRANSACTIONS**

(i) Names of the related party and nature of relationship where control/significant influence exists

**Key management personnel (KMP) and their close members of family**

Name of related party	Nature of relationship
<b>Key Management Personnel &amp; Directors</b>	
Manoj Pandurang Patil	Managing Director
Aarti Manoj Patil	Director
Prafulla Pandurang Patil	Executive Director & CFO
Niharika Shamindra Singhal	Company Secretary

<b>Relative of Key Management Personnel &amp; Directors</b>	
Aayush Manoj Patil	Relative of Director
Piyusha Manoj Patil	Relative of Director
Vijay Pandurang Patil	Relative of Director
Shekhar Sharad Kolte	Relative of Director
<b>Entities in which KMP/relative of KMP is interested</b>	
Evtric Motors Pvt Ltd	
Fine Automation Robotics Pvt Ltd	
Sap Enterprises	
A V Enterprises	
Shree Samarth Engineering Solutions	

(iii) Details of transactions with related parties and balances

(₹ In Lakhs)

Name	Relationship	Nature of transaction	Sept 2024		31 March 2024		31 March 2023		31 March 2022	
			Amount of transactions during the year	Balance as at 30th Sep 2024 Receivables/(Payables)	Amount of transactions during the year	Balance as at 31 March 2024 Receivables/(Payables)	Amount of transactions during the year	Balance as at 31 March 2023 Receivables/(Payables)	Amount of transactions during the year	Balance as at 31 March 2022 Receivables/(Payables)
Manoj Pandurang Patil	Director	Salary	59.82	-	95.29	-	95.29		95.29	-
		Factory Rent	109.15	-	207.90	-	198.00	-	198.00	-33.60
		Factory Advance	30.57	30.57	-	-	-	-	-	-
		Expenses Reimbursement	24.06	-0.28	51.15	51.57	-	-	1.18	0.17
Aarti Manoj Patil	Director	Salary	59.87		95.50	-	95.50		95.50	-
		Factory Rent	109.15	-	207.90	-	198.00	-0.01	198.00	-49.96
		Factory Advance	11.88	11.88	-	-	-	-	-	-
		Expenses Reimbursement	0.03	-	51.15	51.15	-	-	-	-
Prafulla Pandurang Patil	Director	Salary	13.17	-	26.33	-	26.33	-	26.33	-
		Expenses Reimbursement	8.50	-	0.79	0.00	-	-	0.95	9.04
		Advance Reimbursement	3.50	3.50	-	-	-	-	-	-
Vijay Pandurang Patil	Relative Director	Salary	14.55		28.50	-	25.20	-	24.73	-
		Expenses Reimbursement	0.99		0.96	-0.04	0.12	0.17	0.10	0.05
		Advance Reimbursement	0.44	0.44	-	-	-	-	-	-
Shekhar Sharad Kolte	Relative Director	Salary	-	-	-	-	-	-	28.31	-
		Remuneration Expenses	-	-	0.05	-	0.05	-0.05	-	-
Fine Automation Robotics India Pvt Ltd	Entities in which	Expenses Reimbursement	-	-	-	-	-	-	0.20	-
		Purchase					30.16	-		

	KMP is interested									
Evtric Motors Pvt Ltd	Entities in which KMP is interested	Rent Received	-	-	-	-	264.00	15.00	128.00	0.00
		Expenses Reimbursement	-	-	7.49	-	17.26	-	28.64	-18.71
		Sales	-	-	-	-	383.02	238.30	105.49	-
		Purchase of Capital Goods			165.02	-	1.58	-		
		Loan Given	1,370.70	2.89	165.59	1,373.59	1,208.00	1,208.00		
		Deposit Repaid			15.00	-				
SAP Enterprises	Entities in which relative of KMP is interested	Service Aailed	50.26	-	110.34	-13.42	215.13	-6.21	173.79	-37.10
		Advance Given	0.08	0.08						
AV Enterprises	Entities in which relative of KMP is interested	Service Aailed	56.28	-2.89	195.68	-11.40	165.70	-29.45	181.36	-26.55
Shree Samarth Engineering Solutions	Entities in which relative of KMP is interested	Service Aailed	70.05	-2.54	140.48	-18.70	131.60	-10.54	168.45	-48.14
Fine Automation	Entities in which KMP is interested	Deposit Repayment Received	-	-	-	-	100.00	-	-	100.00

**ANNEXURE -XXXIV  
STATEMENT OF TAX SHELTERS**

(₹ In Lakhs)

Particulars	Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Restated Profit before tax (A)	827.79	1,122.00	546.11	722.67
Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
MAT Rate	17.16%	17.16%	17.16%	17.16%
<b>Adjustments:</b>				
Section 36 Provident Fund	-	0.05	0.06	3.11
Section 37	-	28.09	19.58	5.29
Gratuity Expenses	7.69	9.20	3.29	9.76
Other Disallowances	-	209.84	14.86	0.87
Depreciation as per CA act, 2013	130.54	233.82	196.12	227.07
<b>Total Permanent Differences(B)</b>	<b>138.24</b>	<b>481.00</b>	<b>233.90</b>	<b>246.10</b>
<b>Timing Differences (C)</b>				
Depreciation as per Income Tax act	108.94	227.50	200.23	204.12
<b>Total Timing Differences (C)</b>	<b>108.94</b>	<b>227.50</b>	<b>200.23</b>	<b>204.12</b>
<b>Income considers in House property Head (D)</b>	<b>109.86</b>	<b>68.73</b>	<b>270.22</b>	<b>132.28</b>
<b>Income considers in Capital gain (E)</b>				
<b>Income considers in Other Income (F)</b>	<b>46.03</b>	<b>147.13</b>	<b>164.58</b>	<b>135.80</b>
<b>Net Adjustments F = (B+C+D+E+F)</b>	<b>-126.60</b>	<b>37.64</b>	<b>-401.12</b>	<b>-226.10</b>
	-	-	-	-
Income chargeable under the head House Property	109.86	64.80	266.39	132.28
Tax Paid				-
Annual Value	109.86	64.80	266.39	132.28
Deduction Under Section 24 @ 30%	32.96	19.44	79.92	39.68
TAXABLE UNDER house property	76.91	45.36	186.47	92.60
<b>Income chargeable under the head Other Sources</b>				
Interest Income	46.03	147.13	164.58	135.80
	-	-	-	-
	<b>46.03</b>	<b>147.13</b>	<b>164.58</b>	<b>135.80</b>
<b>Gross Total Income</b>	<b>824.13</b>	<b>1,345.45</b>	<b>496.04</b>	<b>724.96</b>
Less: Deduction	-	-	-	-
Taxable Income/(Loss) (A+D)	824.13	1,345.45	496.04	724.96
Brought Forward Losses	-	-	-	-
	824.13	1,345.45	496.04	724.96
<b>Restated Profit for The Purpose of MAT</b>	<b>827.79</b>	<b>1,122.00</b>	<b>546.11</b>	<b>722.67</b>
<b>Less: Brought Forward Loss</b>				
<b>Taxable Income/(Loss) as per MAT</b>	<b>824.13</b>	<b>1,345.45</b>	<b>496.04</b>	<b>724.96</b>
<b>Income Tax as returned/computed</b>	<b>207.42</b>	<b>338.62</b>	<b>124.84</b>	<b>182.46</b>
<b>Tax paid as per normal or MAT</b>	Income Tax	Income Tax	Income Tax	Income Tax

**ANNEXURE -XXXV  
CAPITALISATION STATEMENT AS AT 30TH SEPTEMBER, 2024**

(₹ In Lakhs)

Particulars	Pre-Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,517.48	-
Long Term Debt (B)	31.63	-
<b>Total debts (C)</b>	<b>1,549.11</b>	<b>-</b>

<b>Shareholders' funds</b>		
Equity share capital	504.00	*
Reserve and surplus - as restated	3,318.37	*
<b>Total shareholders' funds</b>	<b>3,822.37</b>	*
<b>Long term debt / shareholders' funds</b>	0.01	*
<b>Total debt / shareholders' funds</b>	0.41	*

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Short term Debts represent which are expected to be paid/payable within 12 months.

Long term Debts represent debts other than short term Debts as defined above.

**ANNEXURE: XXXVI**  
**RESTATED STATEMENT OF ACCOUNTING RATIOS**

(Rs. in Lakhs)

**A Mandatory Ratios**

Particulars	Period ended 30.09.2024	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
EBITDA	825.03	1,244.37	458.65	781.85
Net Profit/(Loss) as Restated	612.13	783.72	419.84	545.91
Net Worth	3,822.37	3,210.24	2,426.52	2,006.67
Return on Net worth (%)	16.01%	24.41%	17.30%	27.20%
Equity Share at the end of year (in Nos.) (Face Value Rs. 10)	5,040,000	5,040,000	5,040,000	5,040,000
Bonus Shares Issued	10,080,000	10,080,000	10,080,000	10,080,000
Weighted No. of Equity Shares	15,120,000	15,120,000	15,120,000	15,120,000
Basic and Diluted Earnings per Equity Share (Considering bonus issue of share allotted on November 8, 2024)	4.05	5.18	2.78	3.61
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	75.84	63.70	48.15	39.81
Net Asset Value/Book Value per Equity share (Based on the Weighted Average number of Shares)	25.28	21.23	16.05	13.27

**Bonus issue of 1,00,80,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 2:1 i.e. Two (2) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on November 8, 2024”**

**Note:**

1) The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 30th September, 2024

(a) Basic earnings per share (Rs.): - Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.

(b) Diluted earnings per share (Rs.): - Net profit after tax as restated for calculating diluted EPS / Weighted average number of equities shares outstanding at the end of the period or year for diluted EPS.

(c) Return on net worth (%): - Net profit after tax (as restated) / Net worth at the end of the period or year.

(d) Net assets value per share: - Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/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 period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

**B Additional information to the financial statements: -**

(i) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of:

	<b>Particulars</b>	<b>Period ended 30.09.2024</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
	Import Value	14.02	0.70	-	9.58
	<b>Total</b>	<b>14.02</b>	<b>0.70</b>	<b>-</b>	<b>9.58</b>

(ii) Value of Exports by the Company during the financial Year in respect of:

	<b>Particulars</b>	<b>Period ended 30.09.2024</b>	<b>Year ended 31.03.2024</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
	Export Value	52.99	-	37.29	677.20
	<b>Total</b>	<b>52.99</b>	<b>-</b>	<b>37.29</b>	<b>677.20</b>



**C RESTATED STATEMENT OF OTHER ACCOUNTING RATIOS**

Sr. No.	Ratios	Formula Heads	Period ended 30.09.2024	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
		Current Assets	5,424.86	7,249.72	6,782.73	3,722.63
		Current Liabilities	4,249.30	5,745.06	6,930.70	4,633.46
1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.28	1.26	0.98	0.80
	(Current Assets/ Current Liabilities)					
		Total Debt	1,549.11	2,312.91	3,265.29	1,524.53
		Equity	3,822.37	3,210.24	2,426.52	2,006.67
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	0.41	0.72	1.35	0.76
	(Total Debt/ Total Equity)					
		EBITDA	825.03	1,244.37	458.65	781.85
		Interest	79.96	232.11	171.14	125.16
		Current Payment of Principal Payment	2.92	9.60	2.38	-
3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	9.95	5.15	2.64	6.25
	(EBITDA/ Interest Expense + Current payment of Principal amount)					
		Profit after tax	612.13	783.72	419.84	545.91
		Average Equity	3,516.30	2,818.38	2,216.60	1,481.93
4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	17.41%	27.81%	18.94%	31.48%
	(Profit after tax/ Average Equity)					
		Cost of Goods Sold	3,047.51	6,525.70	4,363.35	5,515.23
		Average Inventory	2,127.98	1,553.34	799.90	771.83
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	1.43	4.20	5.45	7.15
	(Cost of Goods Sold / Average Inventory)					
		Revenue from operations	5,835.38	11,527.96	7,780.75	9,416.29
		Average Debtors	2,242.16	1,824.64	1,968.09	1,676.03
6	Trade Receivables Turnover Ratio (in times)	(Sales/Average Trade Receivables)	2.60	6.32	3.95	5.62

	(sales/Average Trade Receivables)					
		Net Purchases	2,915.47	7,807.00	4,588.94	5,345.77
		Average Creditors	960.95	1,177.84	1,638.17	1,936.38
7	Trade Payables Turnover Ratio (in times)	(Net Credit Purchases/Average Trade Payables)	3.03	6.63	2.80	2.76
	(Net Credit Purchases/Average Trade Payables)					
		Revenue from operations	5,835.38	11,527.96	7,780.75	9,416.29
		Average working capital i.e. Total current assets less Total current liabilities	1,340.11	678.35	(529.39)	(586.77)
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	4.35	16.99	(14.70)	(16.05)
	(Revenue from Operations/Average Working Capital)					
		Profit for the year	612.13	783.72	419.84	545.91
		Revenue from operations	5,835.38	11,527.96	7,780.75	9,416.29
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	10.49%	6.80%	5.40%	5.80%
	(Profit for the year/Revenue from operations)					
		Profit before tax plus Interest cost	907.75	1,354.11	717.24	847.82
		Capital Employed = Total Equity plus total borrowing plus deferred tax liabilities	5,371.47	5,523.15	5,691.81	3,531.21
10	Return on Capital Employed (in %)	Profit before tax and finance costs/ Equity and borrowings	16.90%	24.52%	12.60%	24.01%
	(Profit before tax and finance costs/ Capital Employed)					

**D REASON FOR CHANGE IN THE RATIO**

Sr. No.	Ratios	Formula Heads	Year ended 31.03.2024	Year ended 31.03.2023	Change in Ratio	Reason for Change in the Ratio
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1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.26	0.98	28.94%	Change in ratio due to increases in profit and increase in current assets.
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	0.72	1.35	-46.46%	Change in ratio due to increases in profit and decrease in borrowing.
3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	5.15	2.64	94.76%	Change in ratio due to increase in net profit
4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	27.81%	18.94%	46.81%	Change in ratio due to increase in net profit
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	4.20	5.45	-22.99%	-
6	Trade Receivables Turnover Ratio (in times)	(Sales/Average Trade Receivables)	6.32	3.95	59.81%	Change in ratio due to increase in Turnover.
7	Trade Payables Turnover Ratio (in times)	(Net Credit Purchases/Average Trade Payables)	6.63	2.80	136.62%	Change in ratio due to increase in Purchase.
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	16.99	(14.70)	-215.63%	Change in ratio due to increase in Turnover and net profit.
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	6.80%	5.40%	25.99%	Change in ratio due to increase in net profit
10	Return on Capital Employed (in %)	Profit before tax and finance costs/ Equity and borrowings	18.47%	4.65%	296.82%	Change in ratio due to increase in net profit

Sr. No.	Ratios	Formula Heads	Year ended 31.03.2023	Year ended 31.03.2022	Change in Ratio	Reason for Change in the Ratio
1	Current Ratio (in times)	Current Assets/ Current Liabilities	0.98	0.80	21.81%	-
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	1.35	0.76	77.12%	Change in ratio due to increases in borrowing and decrease in profit.

3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	2.64	6.25	-57.69%	Change in ratio due to decrease in net profit.
4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	18.94%	36.84%	-48.58%	Change in ratio due to decrease in net profit.
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	5.45	7.15	-23.66%	-
6	Trade Receivables Turnover Ratio (in times)	(Sales/Average Trade Receivables)	3.95	5.62	-29.63%	Change in ratio due to decrease in Turnover.
7	Trade Payables Turnover Ratio (in times)	(Net Credit Purchases/Average Trade Payables)	2.80	2.76	1.47%	-
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	(14.70)	(16.05)	-8.41%	Change in ratio due to decrease in Turnover and net profit.
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	5.40%	5.80%	-6.93%	-
10	Return on Capital Employed (in %)	Profit before tax and finance costs/ Equity and borrowings	4.65%	15.95%	-70.82%	Change in ratio due to decrease in net profit

**ANNEXURE: XXXVII**  
**ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY PARA Y OF PART - I TO SCHEDULE III TO THE COMPANIES ACT, 2013**

- (i) The title deeds of the Immovable Property are held in the name of the Company.
- (ii) The company has not revalued its Property, Plant and Equipment. Accordingly, disclosures as required under this para is not applicable.
- (iii) The company has granted loans or advances in the nature of loan to promoters, directors, KMP and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayment. Accordingly, disclosures as required under this para are not applicable.
- (iv) The Company have capital Work in Progress .and the same has been disclosed in Property, Plant & Equipment schedule.
- (v) The company does not have any intangible assets Under-Development. Accordingly, disclosures as required under this para are not applicable.
- (vi) There has been no proceeding initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Accordingly, disclosures under this para are not applicable.
- (vii) The Company has borrowings from Banks or Financial Institutions on the basis of security of current assets. No material discrepancies have been noticed in the Quarterly statements filed for Current Assets (Stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables) held by the company in comparison with the stock and book debts as per books of accounts.
- (viii) The company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, disclosures under this para are not applicable.
- (ix) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. Accordingly, disclosures under this para are not applicable.
- (x) There are no charges or satisfaction pending for registration with the Registrar of Companies beyond the statutory period. Accordingly, disclosures under this para are not required.
- (xi) The company has no subsidiary and company has complied with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017
- (xii) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, disclosures under this para are not applicable.
- (xiii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Additional Regulatory Information as required by Para 5 (ix) to (xi) of Part - II to Schedule III to the Companies Act, 2013:**

(i) There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income in the books of account during the year in the tax assessment under the Income Tax Act, 1961.

(ii) The company is required to spent CSR expenditure under section 135 of the Companies Act. Accordingly, disclosures as required under this para has been made in notes to Profit & Loss accounts

(iii) The Company has not traded or invested in Crypto Currency or Virtual Currency and therefore, the disclosures as sought is not applicable.

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the six months period ended September 30, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.patilautomation.com](http://www.patilautomation.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; (ii) Red Herring Prospectus or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below:

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Profit After Tax (Rs. In Lakhs)	612.13	783.72	419.84	545.91
Basic & Diluted Earnings per Share	4.05	5.18	2.78	3.61
Return on Net Worth (%)	16.01%	24.41%	17.30%	27.20%
NAV per Equity Shares (Based on Weighted Average Number of Shares)	25.28	21.23	16.05	13.27
Earnings before interest, tax, depreciation and amortization (EBITDA)	825.03	1,244.37	458.65	781.85

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
**The Board of Directors**  
**Patil Automation Limited**  
Gat No 154, Behind G.E.Company,  
Sudumbre Tal Maval, Pune,  
Pune, Maharashtra, India, 412109

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Patil Automation Limited. (the “Company”).**

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Patil Automation Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30<sup>th</sup> September, 2024 are mentioned below.

**A. Secured Loan: -**

(Rs in Lakhs)

Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2024 as per books
Icici Bank Ltd	Working Capital	A/c No - 050805003856	500.00	6.50%	Note A	On Demand	NA	469.77
Icici Bank Ltd	FD OD	A/c 50805005400	855.00	7.75%	Note B	On Demand	NA	763.37
Baramati Sahakari Bank Ltd	Car Purchase	A/c no - 022001500000021	11.00	10.50%	Hypothecation of Car	Repayment in 48 EMIs of Rs.32000	NA	6.07
The Udyam Vikas Sahakari Bank Ltd	FD OD	006017500000023	285.00	7.50%	Note C	On Demand	NA	281.42
Baramati Sahakari Bank Ltd	Car Purchase	A/c no - 022001500000025	32.00	11.50%	Hypothecation of Car	Repayment in 84 EMIs of Rs.56000	NA	28.48
<b>Total</b>								<b>1,546.28</b>



**Note A- Security Details:**

1. Current Assets
2. Immovable Fixed Assets - Flat No. 701 7th floor wing p3 Empire Estate, Chinchwad, Chinchwad, Empire Estate, Pune, Pune, Maharashtra, India, 411019
3. Immovable Fixed Assets - Flat No 1302 13<sup>th</sup> floor Tower No 22, Lodha Belmondo, Gahunje, Gahunje, Pune, Pune, Maharashtra, India, 412105
4. Movable Fixed assets
5. Immovable Fixed Assets - Factory at gat No 154 Chakan MIDC Phase II, Sadumbre, MIDC Chakan, Behind GE company, Pune, Pune, Maharashtra, India, 410501

**Note B- Security Details:**

1. Against FD no 050813014440 of Rs 9 Cr

**Note C- Security Details:**

1. Against FD no 36/63 , 36/64, 36/65 amounting to Rs 3 Cr

Yours faithfully,

**For GMCS & Co**  
**Chartered Accountants**  
**Firm Registration No. 141236W**

Sd/-

**Amit Bansal**  
**Partner**  
**Membership No. 424232**  
**UDIN: 24424232BKCXHL2733**  
**Place: MUMBAI**  
**Date:11-12-2024**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 174. You should also read the section titled "Risk Factors" on page 27 and the section titled "Forward Looking Statements" on page 20 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated December 11, 2024 which is included in this Draft Red Herring Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **BUSINESS OVERVIEW**

Incorporated in 2015, we are an automation solutions provider serving industrial clients, primarily in the automotive sector. We are engaged in designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling machines and special-purpose machineries, tailored to meet the specific requirements of our clients' production facilities. Our client base primarily comprises of Automotive Original Equipment Manufacturers (OEMs), Tier I suppliers to Automotive OEMs and manufacturers of automotive components and sub-components, who seek to establish, expand, upgrade, modify or repair their production setup. Our automation solutions focus on optimizing manufacturing processes and reducing manual intervention at our clients' facilities.

Our product offerings also include assembly fixtures, welding fixtures, robotic cells, testing and inspection systems and auxiliary items. These products and items support the automation systems and provide integrated solutions to the operational requirements of clients. Our testing and inspection systems include leak testing machines and inspection jigs and gauges to ensure product performance with industry standards. In addition, we also provide support services to our clients, including repair and maintenance services, modification services and manpower support services so as to support system operations.

The manufacturing of our automation systems is carried out at our facility, based on the detailed designs made by us and approved by our customers. Our facility, located in the MIDC Chakan area of Village Sudumbre, Tehsil Maval, District Pune, is divided into two units: Unit-I and Unit-II. Our units are equipped with requisite machineries such as CNC bending machines, cutting machines (plasma, oxyfuel and laser), milling machines, jig boring, surface grinding machines, among others and various testing equipment to support production of automation systems. Additionally, our facility is certified under ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015.

The design process takes place at our Admin and Design office in Baner, Pune, Maharashtra, where we conduct mechanical and electrical design as well as process simulation. As of September 30, 2024, our Design and Development team comprises 42 employees, playing a pivotal role in designing customized automation solutions tailored to our clients' specific requirements.

As of September 30, 2024, we had 239 permanent full-time employees. Additionally, we employed approximately 288 contract laborers at our units.

During the Fiscal 2024, we have sold our products in India to around 9 states including Maharashtra, Haryana, Karnataka, Gujarat, Madhya Pradesh and Tamil Nadu. As on September 30, 2024, our sales and marketing team comprised 8 employees, responsible for managing client relationships and overseeing sales operations across India.

Our Company is led by our promoters, Manoj Pandurang Patil and Prafulla Pandurang Patil, each bringing a wide industry experience. Our sustainable growth in business has been achieved through our founders-led management team with relevant educational qualifications and complementary skill sets. Our promoters have been the driving force in developing and growing our business.

### **Key performance indicators of our Company:**

*(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	Apr.'24 to Sept'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	5,835.38	11,527.96	7,780.75	9,416.29
EBITDA <sup>(2)</sup>	825.03	1,244.37	458.65	781.85

EBITDA Margin <sup>(3)</sup>	14.14%	10.79%	5.89%	8.30%
PAT <sup>(4)</sup>	612.13	783.72	419.84	545.91
PAT Margin <sup>(5)</sup>	10.49%	6.80%	5.40%	5.80%
RoE(%) <sup>(6)</sup>	17.41%	27.81%	18.94%	31.48%
RoCE (%) <sup>(7)</sup>	16.90%	24.52%	12.60%	24.01%

**Notes:**

(1) Revenue from operation means revenue from sale of products & services and other operating revenues

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

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

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

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

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

(7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

For details, please refer to the section “Basis for Issue Price – Key Performance Indicators” on page 96 of the DRHP.

For details in respect of “Statement of Significant Accounting Policies”, please refer to “Annexure IV - Summary Statement of Significant Accounting Policies & Notes to Restated Financial Information” beginning on page 182 of this Draft Red Herring Prospectus.

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” on page 26 beginning of this Draft Red Herring Prospectus.

**Discussion on Result of Operations**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the six months period ended September’24 and financial years ended on March 31, 2024, 2023 and 2022.

(Rs. in Lakhs)

Particulars	For the period ended September 30, 2024	% of Total Income	For the year ended March 31,					
			2024	% of Total Income	2023	% of Total Income	2022	% of Total Income
<b><i>Income:</i></b>								
Revenue From Operations	5,835.38	96.47%	11,527.96	97.11%	7,780.75	94.48%	9,416.29	96.98%
Other Income	213.26	3.53%	343.56	2.89%	454.72	5.52%	293.04	3.02%
<b>Total Income</b>	<b>6,048.64</b>	<b>100.00%</b>	<b>11,871.51</b>	<b>100.00%</b>	<b>8,235.46</b>	<b>100.00%</b>	<b>9,709.33</b>	<b>100.00%</b>
<b><i>Expenses:</i></b>								
Cost of Material Consumed	2,886.68	47.72%	7,690.27	64.78%	4,503.41	54.68%	5,356.23	55.17%
Change in inventories of Work in progress	160.83	2.66%	-1,164.57	-9.81%	-140.06	-1.70%	159.00	1.64%
Employee Benefit Expenses	822.84	13.60%	1,402.12	11.81%	1,214.22	14.74%	1,188.01	12.24%
Financial Cost	84.37	1.39%	238.34	2.01%	183.42	2.23%	146.03	1.50%
Depreciation and Amortization Expenses	130.54	2.16%	233.82	1.97%	196.12	2.38%	227.07	2.34%
Others Expenses	1,135.60	18.77%	2,349.53	19.79%	1,732.25	21.03%	1,910.32	19.68%
<b>Total Expenses</b>	<b>5,220.85</b>	<b>86.31%</b>	<b>10,749.52</b>	<b>90.55%</b>	<b>7,689.36</b>	<b>93.37%</b>	<b>8,986.66</b>	<b>92.56%</b>
<b>Profit Before Exceptional, Extraordinary Items and Tax</b>	<b>827.79</b>	<b>13.69%</b>	<b>1,122.00</b>	<b>9.45%</b>	<b>546.11</b>	<b>6.63%</b>	<b>722.67</b>	<b>7.44%</b>
Less: Exceptional Items	-		-		-		-	
<b>Profit Before Extraordinary Items and Tax</b>	<b>827.79</b>	<b>13.69%</b>	<b>1,122.00</b>	<b>9.45%</b>	<b>546.11</b>	<b>6.63%</b>	<b>722.67</b>	<b>7.44%</b>
Extra ordinary items	-		-		-		-	
<b>Profit Before Tax</b>	<b>827.79</b>	<b>13.69%</b>	<b>1,122.00</b>	<b>9.45%</b>	<b>546.11</b>	<b>6.63%</b>	<b>722.67</b>	<b>7.44%</b>
<i>Tax Expense:</i>								

Current tax Provision	207.42	3.43%	338.62	2.85%	124.84	1.52%	182.46	1.88%
Deferred Tax	8.25	0.14%	-0.35	0.00%	1.42	0.02%	-5.70	-0.06%
<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>612.13</b>	<b>10.12%</b>	<b>783.72</b>	<b>6.60%</b>	<b>419.84</b>	<b>5.10%</b>	<b>545.91</b>	<b>5.62%</b>

#### Revenue from operations:

Revenue from operations mainly consists of revenue from sale of automation solutions, particularly, Welding lines and Assembly lines. In addition, the company generates revenue from Maintenance and Other Services, Miscellaneous items, Special Purpose Machineries and Material Handling Machines. These diverse product categories contribute to the overall financial performance, with Welding lines being the dominant revenue driver.

The following table sets forth the bifurcation of revenue (product-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)

Product categories	Apr.'24-Sept.'24	% of revenue	F.Y. 2023-24	% of revenue	F.Y. 2022-23	% of revenue	F.Y. 2021-22	% of revenue
Welding lines <sup>(i)</sup>	4,098.17	70.23%	8,556.87	74.23%	6,026.11	77.45%	7,329.42	77.84%
Assembly Lines	1,305.20	22.37%	1,610.09	13.97%	511.53	6.57%	996.57	10.58%
Maintenance & Other Services	254.85	4.37%	462.83	4.01%	424.88	5.46%	355.58	3.78%
Miscellaneous <sup>(ii)</sup>	64.36	1.10%	10.87	0.09%	349.19	4.49%	343.74	3.65%
Special Purpose Machineries	62.80	1.08%	211.00	1.83%	388.37	4.99%	369.44	3.92%
Material Handling Machines	50.00	0.86%	676.30	5.87%	80.66	1.04%	21.55	0.23%
<b>Grand Total</b>	<b>5835.38</b>	<b>100.00%</b>	<b>11527.96</b>	<b>100.00%</b>	<b>7780.75</b>	<b>100.00%</b>	<b>9416.29</b>	<b>100.00%</b>

<sup>(i)</sup> Revenue from welding lines includes revenue from welding lines as well as robotic welding cells and fixtures.

<sup>(ii)</sup> Miscellaneous category includes auto component parts, spare parts, scrap and other related items.

#### Other Income:

Other income primarily comprises of Interest Income on Fixed Deposits, Rental Income, Profit on sale of fixed assets, Balances Written back & Miscellaneous Income.

#### Total Expenses:

Total expenses consist of operating cost like cost of material consumed, Change in inventories of Work in progress, Employee benefit expenses, Finance costs, Depreciation and Amortization Expenses and other expenses.

#### Cost of material consumed:

Cost of Material consumed expenses primarily comprise of purchase of raw material as adjusted with opening and closing stock.

#### Change in inventories of Work in progress:

Changes in inventories of work in progress between opening and closing dates of a reporting period.

#### Employee benefits expense:

Employee benefits expense primarily comprises of Salaries & wages, Bonus expenses, Directors remuneration, Staff welfare expenses, Employers contribution to PF and Gratuity.

#### Finance Costs:

Our finance cost includes Interest expenses, Borrowing Cost and Bank charges.

#### Depreciation and Amortization Expenses:

Depreciation includes depreciation on Building, plant & machinery, office equipment, furniture, computer and data processing units, electrical installations and equipment, motor vehicles and intangible assets.

#### Other Expenses:

Other Expenses primarily comprise Manufacturing Expenses such as job work charges, fuel charges, power charges, rent (factory and machinery), labour charges, designing charges, and repairs and maintenance expenses. Additionally, it includes Selling and Distribution Expenses like sales promotion, marketing, and freight outward. Administrative Expenses cover auditor remuneration, courier charges, CSR expenses, discounts, insurance, professional fees, printing and stationery, rent for corporate offices, rates and taxes, recruitment expenses, security charges, traveling and conveyance, office expenses, and other miscellaneous expenses. It also includes foreign exchange loss, reflecting the company's operational and administrative costs.

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2024:**

### **Total Income:**

Total income for the six months period ended September 30, 2024 stood at Rs. 6,048.64 Lakhs. The total income consists of revenue from operations and other income.

### **Revenue from Operations:**

During the six months period ended September 30, 2024 the net revenue from operation of our Company was Rs. 5,835.38 Lakhs mainly from the sale of Welding Lines, Assembly Lines and also from maintenance and other services.

### **Other Income:**

During the six months period ended September 30, 2024 the other income of our Company stood at Rs 213.26 Lakhs. Other income primarily comprises Interest on Bank Fixed Deposits, Rental Income & profit on sale of fixed assets.

### **Total Expenses:**

Total expenses consist of operating cost like cost of material consumed, Changes in Inventories of Work in Progress, Employee benefits expense, Finance costs, Depreciation and Amortization Expenses and other expenses. During the six months period ended September 30, 2024 the total expenses of our Company stood at Rs 5,220.85 Lakhs.

### **Cost Of Material Consumed:**

During the six months period ended September 30, 2024 the Cost of Material Consumed of our Company stood at Rs. 2,886.68 Lakhs.

### **Change in inventories of Work in progress:**

During the six months period ended September 30, 2024 the Change in inventories of Work in progress of our Company stood at Rs. 160.83 Lakhs.

### **Employee benefits expense:**

During the six months period ended September 30, 2024 the employee benefit expenses of our Company stood at Rs. 822.84 Lakhs. The main components of the employee benefit expenses are Salaries & wages and Directors Remuneration.

### **Finance Costs:**

During the six months period ended September 30, 2024 the finance cost expenses of our Company stood at Rs. 84.37 Lakhs. Our finance cost includes Interest expenses and Bank charges.

### **Depreciation and Amortization Expenses:**

During the six months period ended September 30, 2024 the Depreciation and amortization charges of our Company stood at Rs. 130.54 Lakhs.

### **Other Expenses:**

Other expenses for the 6 months period ended September 30, 2024, were Rs. 1,113.65 Lakhs, including manufacturing expenses, administrative costs, repairs and maintenance, selling and distribution expenses, and other operational outflows.

### **Restated Profit before tax:**

The Company reported Restated profit before tax for six months period ended September 30, 2024 of Rs. 827.79 Lakhs.

### **Restated profit after tax:**

The Company reported Restated profit after tax for six months period ended September 30, 2024 of Rs. 612.13 Lakhs.

## **FINANCIAL YEAR 2024 COMPARED TO FINANCIAL YEAR 2023**

### **Total Income:**

The total income for FY 2024 stood at Rs. 11,871.51 Lakhs, compared to Rs. 8,235.46 Lakhs in FY 2023, reflecting a growth of 44.15%. This increase was primarily driven by higher revenue from operations.

### **Revenue from Operations:**

In FY 2024, the revenue from operations was Rs. 11,527.96 Lakhs, showing a significant increase from Rs. 7,780.75 Lakhs in FY 2023, reflecting an increase of 48.16%. This growth was primarily attributed to increased sales of welding lines, which

contributed Rs. 8,556.87 Lakhs (74.23% of revenue from operations) in FY 2024, compared to Rs. 6,026.11 Lakhs (77.45% of revenue from operations) in FY 2023. Assembly lines also experienced a significant boost, generating Rs. 1,610.09 Lakhs (13.97% of revenue from operations) in FY 2024, up from Rs. 511.53 Lakhs (6.57% of revenue from operations) in FY 2023. Additionally, the demand for maintenance and other services saw an upward trend, contributing Rs. 462.83 Lakhs (4.01% of revenue from operations) in FY 2024, compared to Rs. 424.88 Lakhs (5.46% of revenue from operations) in FY 2023.

**Other Income:**

Other income for FY 2024 stood at Rs. 343.56 Lakhs, compared to Rs. 454.72 Lakhs in FY 2023, marking a decrease of 24.45%. The decline was primarily due to lower rental income (Rs. 68.73 Lakhs in FY 2024 vs. Rs. 270.22 Lakhs in FY 2023) and reduced income on fixed deposits which decreased to Rs. 139.49 Lakhs from Rs. 163.26 Lakhs.

**Total Expenses:**

Total expenses for FY 2024 were Rs. 10,749.52 Lakhs, compared to Rs. 7,689.36 Lakhs in FY 2023, reflecting a rise of 39.80%. This increase was due to increase in business operations of the Company resulting into higher material costs, employee benefits and other operational expenses.

**Cost Of Material Consumed:**

The cost of material consumed increased to Rs. 7,690.27 Lakhs in FY 2024 from Rs. 4,503.41 Lakhs in FY 2023, representing an increase of 70.77%. Such increase was due to higher material cost on account of increase in business operations of the Company.

**Change in inventories of Work in progress:**

Our Company has incurred Rs. (1,164.57) Lakhs as Change in inventories of Work in progress during the financial year 2023-24 as compared to Rs. (140.06) Lakhs in the financial year 2022-23.

**Employee benefits expense:**

Our Company has incurred Rs. 1,402.12 Lakhs as Employee benefits expense during the financial year 2023-24 as compared to Rs. 1,214.22 Lakhs in the financial year 2022-23. The increase was due to increase in (i) Employees Salary and wages Expenses from Rs. 875.99 lakhs to Rs. 987.23 lakhs in the financial year 2023-24 and increase in ESIC, PF, Gratuity and staff welfare expenses.

**Finance Cost:**

Our Company has incurred Rs. 238.34 Lakhs as finance cost during the financial year 2023-24 as compared to Rs. 183.42 Lakhs in the financial year 2022-23. The increase was due to increase in Interest on overdraft from Rs.170.89 Lakhs to Rs.227.58 Lakhs and increase in interest on term loan from Rs. 0.25 Lakhs to Rs.4.53 Lakhs during the FY 2023-24.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2023-24 stood at Rs. 233.82 Lakhs as against Rs. 196.12 Lakhs during the financial year 2022-23. The increase in depreciation was around 19.23 % which was due to purchase of building, Plant & machinery, furniture, vehicle and other office equipment.

**Other Expenses:**

Our Company incurred Rs. 2,349.53 Lakhs in other expenses during FY 2023-24, compared to Rs. 1,732.25 Lakhs in FY 2022-23, an increase of 35.63%. This rise was driven by higher costs in Manufacturing, Sales Promotion, Freight Outward, Annual Maintenance, Auditors' Remuneration, Administrative Expenses, Repairs & Maintenance, Rent, and Travelling & Conveyance, among other operational areas.

**Restated profit before tax:**

Net profit before tax for the financial year 2023-24 increased to Rs. 1,122.00 Lakhs as compared to Rs. 546.11 Lakhs in the financial year 2022-23, marking an increase of 105.45%. This significant growth was primarily driven by the factors mentioned above. The revenue from operations of the company increased by approximately 48.16%, mainly due to higher sales of robotic welding lines, assembly lines, and an increase in demand for maintenance services, which contributed significantly to the overall performance.

**Restated profit for the year:**

As a result of the foregoing factors, our profit after tax increased by 86.67%, rising from Rs. 419.84 Lakhs in the financial year 2022-23 to Rs. 783.72 Lakhs in the financial year 2023-24.

**FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

**Total Income:**

The total income for the financial year 2022-23 stood at Rs. 8,235.46 Lakhs, compared to Rs. 9,709.33 Lakhs in the financial year 2021-22, marking a decline of 15.18%. This reduction was primarily due to a decrease in the overall business volume. Net revenue from operations fell to Rs. 7,780.75 Lakhs in FY 2022-23 from Rs. 9,416.29 Lakhs in FY 2021-22, representing a decline of 17.37%.

**Revenue from Operations:**

During the financial year 2022-23, the revenue from operations of our Company decreased to Rs. 7,780.75 Lakhs as against Rs. 9,416.29 Lakhs in the financial year 2021-22, representing a decrease of 17.37%. The main reason for the decrease was a significant drop in the sales of assembly lines, which fell from Rs. 996.57 Lakhs in FY 2021-22 to Rs. 511.53 Lakhs in FY 2022-23, marking a decline of 48.67%. Additionally, revenue from welding lines declined from Rs. 7329.42 Lakhs in FY 2021-22 to Rs. 6026.11 Lakhs in FY 2022-23, representing a decrease of 17.78%. These factors, along with a general reduction in business volume, contributed to the overall decline in revenue.

**Other Income:**

During the financial year 2022-23, other income increased to Rs. 454.72 Lakhs from Rs. 293.04 Lakhs in FY 2021-22, primarily driven by higher interest on bank fixed deposits (Rs. 163.26 Lakhs vs. Rs. 119.70 Lakhs) and rental income (Rs. 270.22 Lakhs vs. Rs. 132.28 Lakhs). Receipts from MEIS scripts also rose to Rs. 12.54 Lakhs from Rs. 3.70 Lakhs, while foreign exchange gains contributed Rs. 6.03 Lakhs.

**Total Expenses:**

The total expenses for the financial year 2022-23 decreased to Rs. 7,689.36 Lakhs from Rs. 8,986.66 Lakhs in the financial year 2021-22, representing a decline of 14.44%. This reduction was primarily due to a decrease in the Company's business operations, with the cost of material consumed decreasing by 15.92%. In FY 2022-23, the cost of material consumed accounted for 57.88% of the Company's total revenue.

**Cost of material Consumed:**

The cost of material consumed for the financial year 2022-23 decreased to Rs. 4,503.41 Lakhs from Rs. 5,356.23 Lakhs in the financial year 2021-22, representing a decline of 15.92%. This decrease was primarily due to reduced business operations. The cost of material consumed accounted for 54.68% of the total income in FY 2022-23, compared to 55.17% in FY 2021-22.

**Change in inventories of Work in progress:**

Our Company has incurred Rs. (140.06) Lakhs as Change in inventories of Work in progress during the financial year 2022-23 as compared to Rs. 159 Lakhs in the financial year 2021-22.

**Employee benefits expense:**

Our Company incurred Rs. 1,214.22 Lakhs as employee benefits expense during the financial year 2022-23, compared to Rs. 1,188.01 Lakhs in the financial year 2021-22, reflecting an increase of 2.21%. This rise was primarily due to an increase in employee salary expenses, which grew from Rs. 845.30 Lakhs to Rs. 875.99 Lakhs, along with higher ESIC, PF, gratuity, bonus, and staff welfare expenses.

**Finance Cost:**

Our Company incurred Rs. 183.42 Lakhs as finance cost during the financial year 2022-23, compared to Rs. 146.03 Lakhs in the financial year 2021-22. The increase was primarily due to a rise in interest on overdrafts, which grew from Rs. 99.37 Lakhs to Rs. 170.89 Lakhs in FY 2022-23. However, this was partially offset by a decrease in interest on term loans, which fell from Rs. 25.78 Lakhs to Rs. 0.25 Lakhs, and a reduction in other borrowing costs, which decreased from Rs. 20.88 Lakhs to Rs. 12.28 Lakhs during the same period.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at Rs. 196.12 Lakhs, compared to Rs. 227.07 Lakhs in the financial year 2021-22, reflecting a decrease of 13.63%. This reduction was primarily due to no significant additions to fixed assets during the year.

**Other Expenses:**

Our Company incurred Rs. 1,732.25 Lakhs on other expenses during FY 2022-23, compared to Rs. 1,910.32 Lakhs in FY 2021-22, marking a decrease of 9.32%. This decline was primarily due to reduced manufacturing, sales promotion, freight, and administrative expenses. However, there were increases in bank charges, auditor payments, professional fees, foreign exchange losses, and interest on delayed payments.

**Restated profit before tax:**

Net profit before tax for the financial year 2022-23 decreased to Rs. 546.11 Lakhs, compared to Rs. 722.67 Lakhs in the financial year 2021-22, reflecting a decline of 24.43%. This decrease was primarily due to a 17.37% reduction in revenue from operations, driven by lower sales of assembly lines and other major products. Although the cost of material consumed decreased by 15.92%, the decline in revenue outpaced cost savings, resulting in reduced margins and overall profitability.

**Restated profit for the year:**

As a result of the foregoing factors, our profit after tax decreased by 23.09%, from Rs. 545.91 Lakhs in the financial year 2021-22 to Rs. 419.84 Lakhs in the financial year 2022-23. Consequently, our PAT margin declined to 5.10% of total income in FY 2022-23, compared to 5.62% in FY 2021-22, primarily due to a sharper decrease in revenue compared to other fixed expenses.

**Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions:**

There has not been any unusual events or transactions on account of our business activity.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations:**

Other than as described in the section titled “**Risk Factors**” beginning on page 27 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 27 of the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in the relationship between costs and revenues:**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 27, 126 and 223 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Segment Reporting:**

Our company operates in a single segment i.e. automation solutions and related products.

**6. Status of any publicly announced New Products or Business Segment:**

Our Company has not announced any new product or service during the last three financial years.

**7. Seasonality of business:**

Our business is not subject to seasonality. For further information, see “Industry Overview” and “Our Business” on pages 102 and 126 respectively.

**8. Dependence on single or few customers:**

Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. For details please refer to risk factor “**Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial conditions**” on page 28 of this DRHP.

**9. Competitive conditions:**



Competitive conditions are as described under the Chapter **“Our Business – Competition”** beginning on page 136 of this Draft Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e., September 30, 2024:**

After the date of last Balance sheet i.e., September 30, 2024, the following material events have occurred after the last audited period:

1. A special resolution passed by the shareholders at the Extra Ordinary General Meeting held on September 05, 2024, the name of our Company was changed from “Patil Automation Private Limited” to “Patil Automation Limited” vide a fresh certificate of incorporation issued by the Registrar of Companies, Central Processing Centre on October 21, 2024 consequent upon conversion to public company.
2. We have capitalized the profits of the company by issuing 1,00,80,000 equity shares of Face Value of Rs. 10/- in ratio of 2:1 (2 new equity shares for 1 Existing share) approved in Extra Ordinary General Meeting held on November 04, 2024.
3. We have issued 9,00,000 Equity shares on preferential basis having face value of Rs. 10 each at a price of Rs. 112.50 each pursuant to the special resolution Passed in the Extra Ordinary General Meeting held on December 12, 2024.
4. Manoj Pandurang Patil was re-designated from Director to Managing Director of the Company with effect from December 11, 2024.
5. We have appointed Prafulla Pandurang Patil as Director and Chief Financial Officer of the Company with effect from December 11, 2024.
6. Appointment of Santoshkumar Vasant Rao Patil as Independent Director of the company with effect from December 11, 2024.
7. Appointment of Ketan Padmakar Chaphekar as Independent Director of the company with effect from December 11, 2024.
8. Appointment of Kshama Ronak Dharmidharka as Additional Independent Director of the company with effect from December 25, 2024.
9. We have passed a Board resolution in the meeting of Board of Director dated December 11, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
10. We have passed a special resolution in the meeting of shareholders dated December 12, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.

## CAPITALISATION STATEMENT

(₹ In Lakhs)

Particulars	Pre-Issue 30-09-2024	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,517.48	-
Long Term Debt (B)	31.63	-
<b>Total debts (C)</b>	<b>1,549.11</b>	-
<b>Shareholders' funds</b>		
Equity share capital	504.00	*
Reserve and surplus - as restated	3,318.37	*
<b>Total shareholders' funds</b>	<b>3,822.37</b>	*
<b>Long term debt / shareholders' funds</b>	0.01	*
<b>Total debt / shareholders' funds</b>	0.41	*

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Short term Debts represent which are expected to be paid/payable within 12 months.

Long term Debts represent debts other than short term Debts as defined above.

## **SECTION X – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on December 25, 2024, determined that outstanding legal proceedings involving the Company, its Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 3.00% of the Company’s trade payables as per the last restated financial statements.*

#### **A: LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Company.

##### **(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### **(d) Tax Proceedings:**

###### **(i) Direct Tax: -**

###### **a. A.Y. 2018-19:**

Patil Automation Limited (hereinafter referred to as the “Assessee”) have been issued with an order bearing no. ITBA/AST/F/148A/2024-25/1068099633(1) dated August 29, 2024 from the Office of the Assistant Commissioner of Income Tax, Income Tax Department, for A.Y. 2018-19 under the provisions of Section 148A(d) of the Income Tax Act, 1961 alleging the assessee of having escaped correct assessment of income to the tune of Rs. 1,46,10,297/- during the A.Y. 2018-19 (within the meaning of Section 147 of the Act) which are suspected to be mere accommodation entries from one M/s. Kusum Multitrade Private Limited and that it has thus been ordered for issue of notice u/s. 148 of the Act for A.Y. 2018-19.

The aforementioned allegation has been based on the information flagged in the case of the assessee for the relevant assessment year in accordance with the risk management strategy formulated by the Income Tax Board from time to time and based on information received from the Commissioner of CGST, Palghar regarding utilization of fake ITC and payment of GST in respect of M/s. Kusum Multitrade Pvt Ltd.

Based on the aforementioned order, notice bearing no. ITBA/AST/S/148\_1/2024-25/1068138280(1) dated August 29, 2024 has been issued u/s. 148 of the Act requiring the assessee to furnish the return for the A.Y. 2018-19, in terms of Section 148, for re-assessment of the income for the year. However, the return for the A.Y. 2018-19, as required, is yet to be filed by the assessee and the matter is pending.

###### **(ii) Indirect Tax: -**

NIL

**(e) Other pending material litigations filed against the Company:**

**Mr. Rajkumar Mahato (Interim Resolution Professional of M/s. Purvi Metals Pvt. Ltd.) (Applicant) V/s. 1. Patil Automation Ltd.; 2. Mr. Mitul Subodh Sanghavi C/o. Ridhi Sidhi iron & Steel; 3. Mr. Brijesh Pratap Singh (Suspended Director of the Corporate Debtor) (Parties 1 to 3 collectively referred to as Respondents and individually as Respondent No. 1, 2 & 3)**

**Interim Application No. (I.B.C.) -1318/2020 filed under the provisions of Insolvency & Bankruptcy Code and pending before the Hon'ble National Company Law Tribunal, Mumbai**

**Original Matter:**

***M/s. NBS Engineering Solutions Pvt. Ltd. (Original Petitioner) V/s. M/s. Purvi Metals Pvt. Ltd. (Respondent/Corporate Debtor)***

***Company Petition no. 4505(IB)/MB/2019***

Mr. Rajkumar Mahato ("applicant") is the Interim Resolution Professional appointed vide an order dated February 17, 2020, passed by the hon'ble National company Law Tribunal, Mumbai, regarding commencement of Corporate Insolvency Resolution Process (CIRP) of M/s. Purvi Metals Pvt. Ltd. ("Corporate Debtor") pursuant to an application filed by M/s. NBS Engineering Solutions Pvt. Ltd. under Section 9 of the Code. Pursuant to his appointment, the applicant claims to have taken over the affairs of the Corporate Debtor in terms of the Provisions of the Code and CIRP regulations.

The Applicant further claims that upon having taken up the affairs of the Corporate Debtors and reconciliation of its books, it was discovered that amongst others, an amount of Rs. 3,46,93,220/- stood to be recoverable by the corporate debtor from the respondent no. 1 herein (i.e. Patil Automation Limited). The Resolution professional, having charge of the affairs of the corporate debtor and in his capacity as such, claims to have communicated to all the respondents regarding the initiation of the insolvency proceedings against the Corporate Debtor vide its notice dated March 16, 2020 and required the respondents herein to pay their dues to the Corporate Debtor.

Patil Automation Ltd (Respondent No. 1 herein) among others and against whom an amount of Rs. 3,46,93,220/- was due to be recovered, filed a detailed reply to the notices so issued.

Upon failure of the respondent No. 1 & 2 herein, to pay the amounts sought against each of them, the applicant herein filed the instant petition to the concerned authority praying the concerned authority for issue of appropriate directions to the respondents, contesting that the failure to release the respective amounts by the respondents, would tantamount to defeating the purpose of the Code of maximization of assets of the Corporate Debtor. The Respondent No. 1 has filed detailed reply in the matter and the application is pending.

**(f) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no other pending material litigations filed by the Company.

**(g) Other pending material litigations filed against the Company**

As on the date of this Draft Red Herring Prospectus, there are no other pending material litigations filed against the Company.

**B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters and Directors of the Company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Promoters and Directors of the Company.

**(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters and Directors.

**(d) Tax Proceedings:**

(i) Direct tax –

**1) Manoj Pandurang Patil (Promoter cum Managing Director)**

**A.Y. 2017-18:**

As per details available on the website of the Income Tax Department Mr. Manoj Pandurang Patil (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2018201737077811111T dated February 08, 2019 u/s. 1431a of the Income Tax Act, 1961, raising a demand of Rs. 3,33,750/- for A.Y 2017-18, which is pending to be paid by the Assessee.

**2) Santosh Kumar Vasantrao Patil (Independent Director)**

**A.Y. 2009-10:**

As per details available on the website of the Income Tax Department Mr. Santosh Kumar Vasantrao Patil (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2010200910040541420T dated November 29, 2010 u/s. 1431a of the Income Tax Act, 1961, raising a demand of Rs. 45,790/- for A.Y 2009-10, which is pending to be paid by the Assessee.

**(ii) Indirect Tax**

NIL

**(e) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this DRHP, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Promoters & Directors of the company**

As on the date of this DRHP, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON THE COMPANY**

As on the date of this Draft Red Herring Prospectus, there are no outstanding material litigations involving group companies, which can have a material impact on our Company.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 3% of our Company’s total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 3% of the Company’s trade payables as per the last restated financial statements as material dues for the Company.

The trade payables for the fiscal ended on September 30, 2024 were ₹ 1122.88 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 33.69 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on December 25, 2024. As on September 30, 2024, there are 8 creditors to each of whom our Company owes amounts exceeding 3% of our Company’s Trade Payables and the aggregate outstanding dues to them being approximately ₹ 516.37 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, our Company has 118 creditors which are registered under the Micro, Small and Medium Enterprises Development Act, 2006 and the aggregate outstanding dues to them being approximately ₹ 403.30 lakhs.

As on September 30, 2024, our Company owes amounts aggregating to ₹ 1122.88 lakhs approximately towards 200 trade creditors. There are no disputes with such entities in relation to payments to be made to them.

### **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 223 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated July 22, 2015 from the Assistant Registrar of Companies, Maharashtra, under the Companies Act, 2013 as "Patil Automation Private Limited" (Company Identification no. U29299PN2015PTC155878)
2. Fresh Certificate of Incorporation dated October 21, 2024 from the Registrar of Companies, Central Processing Centre, consequent to conversion of the Company "Patil Automation Private Limited" to "Patil Automation Limited" (Corporate Identification No. - U29299PN2015PLC155878)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held December 11, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated December 12, 2024, Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated [●] and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Red Herring Prospectus respectively with NSE Emerge

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principal 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 October 18, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case Purva Share Registry India Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated October 04, 2024 the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Purva Share Registry India Private Limited, for the dematerialization of its shares.
3. ISIN: -INE17GV01016

**APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:****Tax Related Approvals**

S. No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAICP2073R	Income Tax Department	August 07, 2015	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	PNEP19758E	Income Tax Department	---	Valid till Cancelled
3.	GST Registration Certificate	27AAICP2073R1ZR	Goods and Services Tax department	Date of Liability July 01, 2017  Date of issue of Latest amended Certificate: November 28, 2024	Valid till Cancelled
4.	Professions Tax Registration Certificate (P.T.R.C)	27651134539P	Sales Tax Officer VAT-C-104 Registration Br., Pune	Certificate issue date September 15 ,2015  Certificate with effect from July 22, 2015	Valid till Cancelled
5.	Professions Tax Enrollment Certificate (P.T.E.C)	99032337947P	Sales Tax Officer VAT-C-104 Registration Br., Pune	Certificate issue date September 15,2015  Certificate with effect from July 22, 2015	Valid till Cancelled

**Registrations related to Business:**

S. No.	Description	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Import Export Code (IEC)	3115012284	Ministry of Commerce and Industry Directorate General of Foreign Trade	September 07, 2015	Valid till Cancelled
2.	Consent to Operate under Section 25 & 26 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization / Renewal of Authorization under Rule 5 of the Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008	Consent No: SRO-Pune-II/CONSENT/-2207001504	Maharashtra Pollution Control Board, Sub-Regional Officer, Pune-II	July 28, 2022	June 30, 2025



3.	Certificate of Building Stability	Ref: -SA/04/2024	Pratik Constructions, Chinchwad	February 05, 2024	February 04, 2027
4.	ISO 9001:2015 (For Quality Management System)	QIBPLK1878	Interglobal Business Process Private Limited	June 25, 2024	June 24, 2027
5.	ISO 14001:2015 (For Environmental Management System)	EIBPLK1263	Interglobal Business Process Private Limited	June 25, 2024	June 24, 2027
6.	ISO 45001:2018 (For Occupational Health & Management System)	OIBPLK1206	Interglobal Business Process Private Limited	June 25, 2024	June 24, 2027
7.	LEI Certificate	984500F043BEB4AC9 M50	LEI Register India Private Limited	May 18, 2022	May 18, 2025
8.	DG SET 320kva Plan Approval & Charging Permission	oEI5210028032022000 5415	Electrical Inspector Pune Department of Industries, Energy and Labor Department	March 28,2022	Valid till Cancelled
9.	DG Set 500kva Plan Approval & Charging Permission	oEI5210028032022000 5416	Electrical Inspector Pune Department of Industries, Energy and Labor Department	March 28,2022	Valid till Cancelled

#### Registration Certificates of Establishments:

S.No.	Nature of Registration	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Fire NOC for manufacturing facility	PMRDA No. FFMA/384/2023-24	Pune metropolitan Regional Development Authority, Pune	March 28, 2024	Valid till Cancelled
2.	Maharashtra Shop and Establishment (Regulation of Employment and Conditions of Service) Act,2017 for Admin and Design Office at Baner, Pune	2431000319508297	Deputy Commissioner of Labor, Pune	December 13, 2024	Valid till Cancelled



#### Registrations related to Labour Laws:

S.N o.	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
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1.	Factory License	122102829900 000	Industrial Safety and Health Directorate (Labor Department) Maharashtra	January 20, 2023	December 31, 2025
2.	UDYAM Registration Certificate	UDYAM-MH-26-0107617	Ministry of Micro, Small and Medium Enterprises	May 17, 2021	Valid till Cancelled
3.	Registration under Employee State Insurance Act (ESIC)	330004956200 00602	Employees' State Insurance Corporation, Pune	September 02, 2016	Valid till Cancelled
4.	Registration under the Employees Provident fund (EPF)	PUPUN13714 20	Employees' Provident Fund Organization, Pune	September 08, 2015	Valid till Cancelled
5.	Contract Labor (Regulation & Abolition) Act, 1970)	183100071001 2676	Assistant Commissioner of Labor Pune-2	September 26, 2016	Renewed up to December 31, 2025

### Intellectual Property

#### Trademarks registered/objected/abandoned in the name of our company

S. No	Brand Name/Logo Trademark	Class	Registration/ Application Number and date	Authority	Current Status
1.	Device "PAPL The Spirit of Automation" 	7	3044290 August 27, 2015	Trade Marks Registry, Mumbai	Registered
2.	Device of P 	7	6744282 December 06, 2024	Trade Marks Registry, Mumbai	Formalities Check Pass

#### APPLICATIONS MADE BY OUR COMPANY BUT PENDING APPROVAL

Our company has made an application dated December 06, 2024 for registration of Trademark  under class 7 with the Trade Marks Registry, Mumbai, which is pending for approval.

#### MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

Our Company has obtained updated approvals for the change in name from "Patil Automation Private Limited" to "Patil Automation Limited" for the Permanent Account Number (PAN), Tax Deduction and Collection Account Number (TAN) and Goods and Services Tax (GST) registration. However, applications for updating the change in name for other licenses and approvals are to be filed.

## **OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and others as considered material by our Board. Further, pursuant to a resolution of our Board dated December 25, 2024 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as Group Company if such company fulfils the below mentioned conditions:

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); or
- b. if such company fulfils both the below mentioned conditions: -
  - i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
  - ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Except as stated below, there are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company

1. Fine Automation Robotics India Private Limited (FARIPL);
2. Evtric Motors Private Limited (EMPL);

### **Details of our Group Companies:**

#### **1. Fine Automation Robotics India Private Limited (“FARIPL”)**

Fine Automation Robotics India Private Limited was incorporated on January 04, 2013 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra, Pune.

#### **Details are as follows:**

<b>CIN</b>	U29253PN2013PTC145880
<b>PAN</b>	AACCF1192K
<b>Registered Office</b>	Gat No 357/68, Village Mauje Kharabwadi, Tehsil - Khed, Pune, Maharashtra, India, 410501

The main objects of FARIPL allows it to carry on the business of manufacturers, processors, designers, servicing exporters, importers, buyers, sellers, stockiest and distributors of special purpose machines. Robots, jigs/fixtures. and auto parts of all kinds and descriptions. automotive and other parts, transmission and fabrications all kinds and to act as brokers and marketing agents.

FARIPL has not generated any revenue from operations in last three fiscal years.

#### **2. Evtric Motors Private Limited (“EMPL”)**

Evtric Motors Private Limited was incorporated on December 21, 2020 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra, Pune.

#### **Details are as follows:**

<b>CIN</b>	U34300PN2020PTC197060.
<b>PAN</b>	AAGCE2514A
<b>Registered Office</b>	Gat No.154, Behind GE Company, Phase - II, MIDC Chakan, Sudumbre, Tal. Maval, Pune, Maharashtra, India - 412109

The main object of the EMPL allows it to carry on the business of manufacturing, trading, fleet operating, leasing of all types of Electric Vehicle i.e. two, three, four and multi wheeler including electric, e-cart, electric cars, electric buses, electric heavy weight vehicles that can be charged through solar energy or electricity generated through any renewable / non-renewable source of power and also to carry on the business of manufacturing, trading of spare parts thereof inclusive of any equipment and accessories including but not limited to motor controllars, power trains, batteries or any advanced energy devices like lithium iron battery, super capacitors, fly wheels, GPS Systems and its variants, which can store the energy in any form and to provide contract and support services for electric vehicle and others motors.

## **Financial Information**

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, derived from the latest audited financial statements of our group companies are available on the website of our company at [www.patilautomation.com](http://www.patilautomation.com)

It is clarified that such details available on our Group Companies' websites do not form a part of this Draft Red Herring 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.

## **Other Confirmations:**

- a) None of our Group Companies is listed on any stock exchange nor any of the Group Companies have made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Companies are in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- c) None of the above-mentioned Group Companies are a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

## **Common pursuits**

Fine Automation Robotics India Private Limited ("FARIPL") has not generated any revenue from operations as per its last audited financial statements for fiscal 2024, 2023 and 2022. However, the main objects of FARIPL allows it to carry on the business of manufacturers, processors, designers, servicing exporters, importers, buyers, sellers, stockiest and distributors of special purpose machines, Robots, jigs/fixtures and auto parts of all kinds and descriptions, automotive and other parts, transmission and fabrications all kinds and to act as brokers and marketing agents for aforesaid. which can be construed as similar line of business as of our Company.

As a result, conflicts of interests may arise in allocating business opportunities amongst our Companies and in circumstances where our respective interests diverge. Our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise.

## **Nature and extent of interest of our Group Companies**

### **a) Interest in the promotion of our Company**

None of our Group Companies has any interest in the promotion of our Company.

### **b) Interest in the property acquired or proposed to be acquired by the Company**

our Group companies do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

### **c) Interest in transactions for acquisition of land, construction of building, or supply of machinery**

None of our Group Companies is interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

### **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “*Financial Information –Related Party Transactions*”, there are no related business transactions between the Group Companies and our Company.

### **Business interest of our Group Companies in our Company**

Except as disclosed in the section “*Financial Information –Related Party Transaction*”, our Group Companies have no business interests in our Company.

### **Litigations**

Our Group Companies does not have any pending litigation which can have a material impact on our Company.

### **Undertaking / Confirmations by our Group Companies**

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

*The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e [www.patilautomation.com](http://www.patilautomation.com)*

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Corporate Approvals:**

The Board of Directors, pursuant to a resolution passed at their meeting held on December 11, 2024 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting held on December 12, 2024 authorized the Issue.

#### **In-principle Approval:**

Our Company has obtained in-principle approval from the NSE Emerge (SME Platform) for using its name in the Offer Documents pursuant to an approval letter dated [●], NSE is the Designated Stock Exchange.

#### **Prohibition by SEBI, RBI or governmental authorities**

As on date of this Draft Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

#### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Red Herring Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital does not exceed 10 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of NSE (NSE EMERGE)”].

#### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said

underwriting, please refer to section titled **“General Information – Underwriting”** beginning on page 63 of this Draft Red Herring Prospectus.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE (NSE EMERGE). For further details of the arrangement of market making please refer to section titled **“General Information- Details of the Market Making Arrangements for this Issue”** beginning on page 64 of this Draft Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of NSE and National Stock Exchange of India Limited is the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.
11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated October 18, 2024 and National Securities Depository Limited (NSDL) dated October 04, 2024 for establishing connectivity.
12. Our Company has a website i.e. <https://patilautomation.com//>
13. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of NSE.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of NSE:

- 1) Our Company was incorporated on July 22, 2015 under the name of “Patil Automation Private Limited”, a private limited Company under the provisions of the Companies Act, 2013, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting

held on September 05, 2024 and the name of our Company was changed from “Patil Automation Private Limited” to “Patil Automation Limited” vide fresh certificate of incorporation dated October 21, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U29299PN2015PLC155878.

- 2) The post issue paid up capital of the company will be up to 2,18,20,000 shares of face value of ₹ 10/- aggregating up to ₹ 21.82 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
- 4) The company has operating profit (earnings before interest, depreciation and tax) of Rs. 1 crore for any 2 out of 3 financial years preceding the application and its net-worth should be positive:

**(Amount in ₹ Lakhs)**

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth	3822.37	3210.24	2426.52	2006.67
Operating Profit (EBITDA)	825.03	1244.37	458.65	781.85

- 5) The company has positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application (as per audited financials).

**(Amount in ₹ Lakhs)**

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net cash flow from operations-(A)	(211.34)	(325.54)	(240.04)
Net Purchase of Fixed Assets-(B)	(516.65)	(184.56)	(129.31)
Net-Borrowings-(C)	(952.39)	1,740.76	601.67
Post tax Interest expenses-(D)	(173.69)	(128.06)	(93.66)
<b>Free Cash Flow to equity (A+B+C-D)</b>	<b>(1,854.07)</b>	<b>1,102.60</b>	<b>138.67</b>

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- 9) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- 10) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 11) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 12) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.
- 13) We confirm that:
  - i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
  - ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.



- iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled “Outstanding Litigation and Material Developments” beginning on page 232 of this Draft Red Herring Prospectus.
- iv. There are no criminal cases/investigation/offences filed against the director of the company with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences, except as stated in the section titled “Outstanding Litigation and Material Developments” beginning on page 232 of this Draft Red Herring Prospectus.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of NSE. The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 09, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Pune in terms of sections 26 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Seren Capital Private Limited:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	NIL	NA	NA	NA	NA	NA	NA	N.A.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %
2024-25	0	-	-	-	-	-	-	-	-	-	-	-	-	-

**Track Record of past issues handled by Seren Capital Private Limited**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.seren-capital.in](http://www.seren-capital.in).

**Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Seren Capital Private Limited), and our Company on December 18, 2024 and the Underwriting Agreement dated [●] entered into between the Underwriter, and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

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

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer,

sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring 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 jurisdiction of the competent court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause of the SME Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Draft Red Herring Prospectus is being filed with the National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

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

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

### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on SME Platform of NSE (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, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within Six (6) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank\*, Syndicate Members\*, Underwriter to the Issue, Independent Chartered Accountant, Independent Chartered Engineer, D&B and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

### **Experts Opinion**

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

- (iv) Our Company has received written consent dated December 11, 2024 from GMCS & Co., Chartered Accountants, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as Statutory auditor, and in respect of their examination report dated December 11, 2024 on our Restated Financial Information included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- (v) Our Company has received written consent dated January 02, 2025 from Ajmera & Ajmera, Chartered Accountants, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as an Independent Chartered Accountant, in respect of their certificates issued in connection with this offer and details derived therefrom as included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
- (vi) Our Company has received written consent dated January 08, 2025 from Karan Rajendra Mody, Chartered Engineer, AKV Consulting LLP, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as an Independent Chartered Engineer, in respect of the report issued in connection with this offer and details derived therefrom as included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated December 18, 2024 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated [●] with the Underwriter and (iii) the Market Making Agreement [●] with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated December 26, 2024, a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 67 of this Draft Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

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

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between 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) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there are no investors complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address

of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 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 Bhuvnesh Kumar Sharma, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Niharika Shamindra Singhal**  
Company Secretary and Compliance Officer  
**Patil Automation Limited**  
**Address:** Gat no 154, behind G.E.Company,  
Sudumbre Tal Maval, Pune,  
Maharashtra, India, 412109  
**Tel. No.:** +91- 9168338383  
**Email:** cs@patilautomation.com  
**Website:** <https://patilautomation.com/>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

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).

Our Board by a resolution on December 25, 2024 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled “*Our Management*” beginning on page 152 of this Draft Red Herring Prospectus.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Special Tax Benefits*” beginning on page 100 of this Draft Red Herring Prospectus.

### **Purchase of Property**

Other than as disclosed in Section “*Our Business*” beginning on page 126 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly

or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

#### **Capitalization of Reserves or Profits**

Save and except as stated in “*Capital Structure*” on page 67 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

#### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled “*Our Management*” beginning on page 152 and chapter “*Financial Information*” beginning on page 174 of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

#### **Exemption from complying with any provisions of securities laws, if any**

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.



**SECTION VIII: ISSUE RELATED INFORMATION**  
**TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*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 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 UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.*

*Further vide the said circular Registrar to the offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the offer and Depository Participants as and when the same is made available.*

**Authority for the Issue**

The present Public Issue of upto 58,00,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 11, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on December 12, 2024 in accordance with the provisions of Section 23(1)(c), 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this 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 section titled, ‘**Main Provisions of Article of Association**’, beginning on page 296 of this Draft Red Herring Prospectus.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “**Dividend Policy**” and “**Main Provisions of Article of Association**” beginning on page 173 and 296 respectively of this Draft Red Herring Prospectus.

**Face Value and Issue Price**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will

be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and all edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 296 of this Draft Red Herring Prospectus.

### **Allotment only 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 October 04,2024 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated October 18,2024 between CDSL, our Company and Registrar to the Issue.

### **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Emerge (SME 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 is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSB s collected shall be unblocked within four (4) working days of closure of Issue forthwith..

### Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Pune, Maharashtra, India.

**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 U.S. Securities Act, 1933 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 will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Period of Subscription List of Public Issue

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>

Event	Indicative Dates
Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*(T+2)	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees(T+2)	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange(T+3)	On or about [●]

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

**\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

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

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST.

Bidders are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum-Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, 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 money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled **“General Information - Underwriting”** on page 63 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms

of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

Or

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the NSE Emerge (SME platform of NSE), wherein the BRLM 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 SME platform of NSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled ***“General Information - Details of the Market Making Arrangements for this Issue”*** on page 64 of this Draft Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.

### **As per the extent Guideline 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.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **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.

### **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 Promoters minimum contribution in the Issue as detailed under section titled “*Capital Structure*” beginning on page 67 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 296 of this Draft Red Herring Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre-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.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*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 BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the NSE Emerge i.e. SME platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the issue*" and "*Issue Procedure*" on page 254 and 265 of this Draft Red Herring Prospectus.

### Issue Structure:

Initial Public Issue of up to 58,00,000 Equity Shares of ₹10 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto [●] 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 Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] of the Issue Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue.	Not less than 35% of the Net Issue.
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares



Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		allocation as per (a) above.  Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

\* Subject to finalization of basis of allotment.

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(1) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on pages 259 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

#### **Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/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 Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the 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) filing of the Red Herring Prospectus/ Prospectus with ROC.

#### **Issue Program**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Issue Opening Date	[●] <sup>1</sup>
Bid/ Issue Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account Id Linked Bank Account*(T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees(T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange(T+3)	On or about [●]

**The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE Emerge platform is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum- Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ 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 BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars "the General Information Document" which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications and electronic registration of bids; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective alongwith the existing process existing timeline of T+6 days ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). With effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited ("NSE EMERGE") to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) For details on their designated branches for submitting

*Application Forms, please see the above mentioned website of Platform of National Stock Exchange of India Limited (“NSE EMERGE”).*

*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 Book Running 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 Book Running 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 Red Herring Prospectus. Bidders 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 Red Herring Prospectus and the Red Herring Prospectus.*

*Further, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.*

### ***Phased implementation of Unified Payments Interface***

SEBI has issued the “UPI Circulars” in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, UPI mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment Mechanism, the UPI Circular have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of designated intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, decided to continue Phase II of Unified Payments Interface with Application Supported by Blocked Amount until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the 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 Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[●]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[●]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[●]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by 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 Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
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<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds 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 Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' 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 Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. 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) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- 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 Bidder '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 ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹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 Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

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 Bidder does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net 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 Bidder 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 Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e., one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “*Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*” in the section “*Issue Procedure*” beginning on page 265 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public 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.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual bidders may bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates / Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **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 Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The 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 Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60%

of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to 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 sectorial 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. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

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 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 or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. 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.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **.BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category 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 AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds



with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/ corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders 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 Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum 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 Bidder, 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 Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●]”
- b. In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by

SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the 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 Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. 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 Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - 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 a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum 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 Bid Cum 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 Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring 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 Book Running 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 Draft Red Herring 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 5.00 p.m. on the Bid/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 Bid/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.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Draft Red Herring 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. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;

23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000 (net of retail discount);
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders**

**Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

**Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;



- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details .
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).

- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below.

**Process for generating list of Allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**BASIS OF ALLOTMENT**

**a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
 

a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

c) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

**d) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors

are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**e) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**f) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (SME platform of NSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running 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.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders 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 Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public 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 2 working days of the Bid/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

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of 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 (SME platform of NSE) 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 2 (Two) 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 Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;

2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/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;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **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 our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the 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 Book Running 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 October 04, 2024 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated October 18, 2024 between CDSL, our Company and Registrar to the Issue.

The Company's equity shares bear an ISIN No. INE17GV01016.

## **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 Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue 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 Issue, 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 paid-up equity capital on fully diluted basis or paidup 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 S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no issue 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 issue made under exemptions available under the Prospectus Directive, provided that no such Issue 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 Red Herring Prospectus.

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

The above information is given for the benefit of the Applicants. Our Company and the Book Running 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 Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*The following regulations comprised in the Articles of Association were adopted pursuant to the member’s special resolution passed at the Extra Ordinary General Meeting held on September 05, 2024 In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

<b>INTERPRETATION</b>	
1.	<p>In these regulations—</p> <p>a. “Act” means the Companies Act, 2013 and rules made thereunder or any statutory modification or reenactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.</p> <p>b. “Articles” means these articles of association of the Company or as altered from time to time.</p> <p>c. “Board of Directors” or “Board”, means the collective body of the directors of the Company.</p> <p>d. The Office” means the Registered Office for the time being of the Company;</p> <p>e. “Month” means calendar month</p> <p>f. “In writing” or “written” means and includes words printed, lithographed, represented or reproduced in any mode in a visible form;</p> <p>g. “Beneficial Owner” shall have the meaning assigned thereto in Section 2 of the Depositories Act,1996;</p> <p>h. “Depositories Act” means the Depositories Act,1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force;</p> <p>i. “Depository” shall mean a Depository as defined in Section 2 of the Depositories Act,1996;</p> <p>j. “Shareholder(s)” or “Member(s)” means the duly registered holder(s) from time to time of the Share(s) of the Company and includes the subscriber(s) to the Memorandum of the Company and also every person holding Equity Share(s) and/or Preference Share(s) of the Company also one whose name is entered as the beneficial owner in the records of the Depository and;</p> <p>k. “Debenture holder(s)” or “Securityholder(s)” means the duly registered holders from time to time of the debenture(s) or securities of the Company;</p> <p>l. ”Directors” means the Directors for the time being of the Company;</p> <p>m. “Independent Director” shall mean a Director who fulfills the requirements of Section 149(6) of the Act and who is appointed as an independent director in accordance with the provisions of the Act; and</p> <p>n. “Financial Year” means the period commencing on April 1 of a year and ending on March 31 of the next calendar year.</p> <p>Words importing the singular number include the plural number and vice versa; Words importing the masculine gender include the feminine gender Words importing persons include corporations. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.</p>
<b>Share Capital and variation of Rights</b>	
2.	The Authorized Share Capital of the Company shall be such amounts and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association of the Company with the power to increase or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
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 Board 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.
4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the company.
5.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

	<p>a. Equity share capital: (i). with voting rights; and / or (ii). with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>b. Preference share capital</p>
6.	<p>Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions Issue of certificate of issue shall be provided:</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>c. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>d. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>
7.	<p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p>
8.	<p>The provisions of the Articles 6 and 7 above, relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.</p> <p>Provided that, notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.</p>
9.	<p>Except as required by law, no person shall be recognized 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 recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>
10.	<p>Subject to the provision of sub section 6 of section 40 of the Act and rules thereof, the company may exercise the powers of paying commissions conferred by the Act, to any person in connection of the securities, provided that</p> <p>a. 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 there under.</p> <p>b. the rate or amount of the commission shall not exceed the rate or amount prescribed in the Act, and rules made there under.</p> <p>c. the commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
11.	<p>a. 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 of the Act, 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, as prescribed under the Act.</p> <p>b. 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. Provisions as to general meetings to apply mutatis mutandis to each meeting</p>
12.	<p>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 <i>pari passu</i> therewith.</p>
13.	<p>Subject to the provisions section 55 of the Act and Rules thereof, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed on or within the expiry of a period of 20 years from the date of their issue and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption</p>
14.	<p>a. The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to</p> <p>i. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or</p>

	<p>ii. employees under any scheme of employees' stock option, subject to approval by the shareholders of the company by way of a special resolution; or</p> <p>iii. any persons, whether or not those persons include the persons referred to in clause (i) or clause (ii) above, subject to approval by the shareholders of the company by way of a special resolution.</p> <p>b. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement or public issue, subject to and in accordance with the Act and the Rules.</p>
15.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.
16.	Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors 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 way of a special resolution.
<b>Lien</b>	
17.	<p>The company shall have a first and paramount lien</p> <p>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</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>c. The company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.</p>
18.	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien, Provided that no sale shall be made:</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto.</p>
19.	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. 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.
20.	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
21.	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. 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.
22.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any Outsider's lien not to effect Company's lien other person, whether a creditor of the registered holder or otherwise.
23.	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.
<b>Sub-Division and Consolidation of Share Certificates</b>	
24.	The Board may allow for sub-division/consolidation of share certificates.
25.	Notwithstanding anything contained these Articles, the Directors of the Company may in their absolute discretion refuse subdivision of share certificates or debenture certificates into denominations of less than the marketable lots except where such subdivision is required to be made to comply with a statutory provision or an order of a competent court of law.
<b>Dematerialize of Shares, Dentures and other Securities</b>	

26.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture-holders/ other Securityholders with the details of members/ debenture-holders/ other securityholders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.
27.	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
28.	Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except Beneficial owner deemed as absolute owner as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
29.	In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply. Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act shall apply so far as applicable.
30.	Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
31.	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act. Provided that, nothing contained in these Articles shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the record of depository.
<b>Notice of Call, its revocation and postponement</b>	
32.	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. Board may make call by giving (i) at least fourteen days' notice of any call specifying the time and place of payment, and to whom such call shall be paid. (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) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. (iv) A call may be revoked or postponed at the discretion of the Board.
33.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
34.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
35.	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 such rate as the Board may determine. However the Board shall be at liberty to waive payment of any such interest wholly or in part.
36.	(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

37.	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. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
38.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
39.	All calls shall be made on a uniform basis on all shares falling under the same class.
40.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
41.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.
<b>Transfer and Transmission of shares</b>	
42.	(i) The instrument of transfer of any share in the company which is in physical form 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.
43.	The Company shall not register a transfer of shares or debentures of the Company held in physical form except on production of instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures: Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit: Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.
44.	In case of shares held in physical form, the Board may, subject to the right of appeal conferred by section 58 of the Act decline to register any transfer of shares on which the company has a lien.
45.	A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer
46.	Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice. For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of 7 days from the date of dispatch.
47.	In case of shares held in physical form, the Board may 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 of the Act, (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 (iii) the instrument of transfer is in respect of only one class of shares
48.	If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.
49.	The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever, except when the company has a lien on the shares.

50.	All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline shall be returned to the person depositing the same.
51.	The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situate, close the register of members or the register of debenture-holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.
52.	(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 recognized 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.
53.	(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
54.	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
55.	(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.
56.	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.
57.	The provisions of these Articles relating to transfer and transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.
58.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
<b>FORFEITURE OF SHARES</b>	
59.	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
60.	The notice aforesaid shall: a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
61.	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.
62.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
63.	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.
64.	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.



65.	(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) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares Member still liable to pay money owing at time of forfeiture and interest at the time of forfeiture or waive payment in whole or in part. (iii) 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.
66.	(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; (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 shares
67.	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 member in respect of such shares, the validity of the sale.
68.	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.
69.	The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering those on such terms as they think fit.
70.	The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.
71.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
<b>Alteration Of Capital</b>	
72.	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.
73.	Subject to the provisions of section 61 of the Act, the company may, by ordinary resolution: <ul style="list-style-type: none"> <li>a. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>b. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>c. subdivide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>d. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>
74.	Where shares are converted into stock; <ul style="list-style-type: none"> <li>a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</li> <li>b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>c. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.</li> </ul>
75.	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law: <ul style="list-style-type: none"> <li>a. its share capital;</li> <li>b. any capital redemption reserve account; or</li> </ul>

	c. any share premium account
76.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles;(i) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. (ii)On the death of any one or more of 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.. (iii) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. (iv) 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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. (v) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on 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 any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. (vi)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 joint-holders. (vii) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.
<b>Capitalisation</b>	
77.	(i) The company in general meeting may, upon the recommendation of the Board, resolve(a.) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the 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 these articles either in or towards (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in subclause (a) and partly in that specified in sub-clause (b); (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
78.	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 capitalized thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.
79.	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 in fractions (b) to authorize 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 capitalization, 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
<b>Buy Back Of Shares</b>	
80.	Notwithstanding anything contained in these articles but subject to the provision of section 68 to 70 of the Act and SEBI (Buy Back of Securities) Regulations and any other law for the time being in force, the company may purchase its own shares or other specified securities.
81.	The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.
<b>General Meeting</b>	
82.	a. All general meetings other than annual general meeting shall be called extraordinary general meeting. b. Subject to the provisions contained in Section 96 and 129 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting,

	<p>and shall specify, the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.</p> <p>c. Every annual general meeting shall be called at any time during business hours that is between 9 am to 6 pm, on a day that is not a National Holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notice calling the meeting shall specify it as the annual general meeting.</p>
83.	<p>a. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>b. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> <p>c. A general Meeting of the Company may be called by giving not less than clear twenty one days' notice in writing or through electronic mode in such manner as may be prescribed</p> <p>d. A General Meeting of the Company may be called after giving shorter notice than that specified in clause(c), if consent is accorded thereto by not less than ninety-five per cent of the members entitled to vote at such meeting;</p>
84.	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.
85.	Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.
86.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
87.	No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except election of Chairperson.
88.	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.
89.	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, by poll or electronically choose one of their members to be Chairperson of the meeting.
90.	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.
91.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
92.	(i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting not to be included in the minutes books (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. (iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
93.	(i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: <p>a. be kept at the registered office of the Company; and</p> <p>b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. (ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above, Provided Members may obtain copy of the minutes that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p>
<b>Adjournment Of Meeting</b>	

94.	<p>a. If within half an hour from the time appointed for holding a meeting of quorum is not present, the meeting, (i) if called upon by requisition of members, shall stand dissolved. (ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.</p> <p>b. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.</p> <p>c. where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date</p>
95.	<p>(i) The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (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. Notice of adjourned meeting (iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>Votings Right</b>	
96.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares</p> <p>a. on a show of hands, every member present in person shall have one vote; and</p> <p>b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
97.	Where a poll is to be taken, the Chairman of the meeting shall appoint such numbers of Scrutinizers at poll persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him;
98.	The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutinizor from office and to fill vacancies in the office of scrutinizor arising from such removal or from any other cause;
99	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
101.	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.
100	(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.
101.	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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
102.	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 duly satisfy the Board of his right to such shares.
103.	<p>Any business other than that upon which a poll has been demanded may be proceeds with pending the taking of the poll.</p> <p>a. 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 or in regard to which the Company has exercised any right of lien.</p>
104.	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 or in regard to which the Company has exercised any right of lien.
105.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
106.	(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.

	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
107.	Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
<b>PROXY</b>	
108.	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
109.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.
110	An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.
111	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.
<b>BOARD OF DIRECTORS</b>	
112.	Unless otherwise determined by the Company in general meeting, the numbers of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).
113.	The following shall be the first Directors of the Company. 1. Jaishree Shekhar Kolte 2. Shekhar Sharad Kolte
114.	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.
115.	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
116.	i. The remuneration payable to the directors, including to any managing or whole-time director or manager, if any shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. 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. iii. The fees payable to the Director for attending the meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.
117.	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.
118.	Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, (i) 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.
119.	The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
120.	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
121.	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply
122.	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
123.	The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated

124.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized 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 laws 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 Board which would have been valid if such regulation had not been made.
125.	The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution in general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set part for any specific purpose.
126.	The Directors, with shareholders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
127.	(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.
128.	A meeting of the Board of Directors shall be held at least once in every three calendar months and not more than a period of 120 days shall lapse between two Board meetings.
129.	Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company or through the others means as may be provided in the Act from time to time.
130.	The quorum for a Board meeting shall be as provided in the Act.
131.	The participation of directors in a meeting of the Board 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.
132.	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
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.	(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
135.	(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
136.	The participation of directors in a meeting of the Committee 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
137.	(i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting
138.	(i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
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 Acts of Board or

	Committee valid notwithstanding defect of appoint mentor 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.
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY, WHOLE TIME DIRECTOR, CHIEF FINANCIAL OFFICER</b>	
141.	Subject to the provisions of the Act(i) A chief executive officer, manager, company secretary, Whole Time Director, or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
142.	Any provision of the Act or regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
143.	(i) Subject to the provisions of the Companies Act, the Directors may from time to time appoint one or more of their member to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules (ii) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.
<b>Execution of Negotiable Instruments</b>	
144.	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 instruments.
<b>Statutory Registers</b>	
145.	The Company shall keep and maintain at its registered office all statutory registers including, register of charges, register annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
146.	The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and extracts may be taken therefrom in the same manner, mutatis mutandis, as is applicable to the register of members.
<b>THE SEAL</b>	
147.	The Company shall have a Common Seal and the Directors shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except; (i) by the authority of a Resolution of the Board of Directors or a committee of the Board authorized in that behalf, and (ii) in the presence of at least two Directors or one Director and the Secretary of the Company or such other person as the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed. Such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.
<b>DIVIDENDS AND RESERVE</b>	
148.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
149.	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.
150.	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies

	or for equalizing dividends only to be paid out of profits; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
151.	(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
152.	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.
153.	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.
154.	(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
155.	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.
156.	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
157.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
158.	No dividend shall bear interest against the company.
159.	There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;
<b>Inspection of Books of Accounts</b>	
160.	(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.
<b>Winding up of Company</b>	
161.	Subject to the provisions of Chapter XX of the Act and rules made thereunder a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the 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. b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
<b>Indemnity and Insurance</b>	
162.	Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.



163.	Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending an proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
16.4	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
<b>General Power</b>	
165.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes an empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
<b>SECURITY</b>	
166.	Subject to the provisions of the Companies Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated December 18, 2024 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated December 26, 2024 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated [●] between our Company, Book Running Lead Manager and Registrar to the Issue and Syndicate Members.
7. Tripartite Agreement dated October 18, 2024 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated October 04, 2024 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated July 22, 2015 issued by the Registrar of Companies, Maharashtra.
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated September 17, 2024 issued by the Registrar of Companies, Central Processing Centre.
4. Copy of the Board Resolution dated December 11, 2024 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated December 12, 2024 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the 6 months period ended on September 30, 2024 and Financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022.
7. Statutory Auditors Report dated December 11, 2024 on the Restated Financial Statements for the 6 months period ended on September 30, 2024 and Financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022.
8. Copy of the Statement of Tax Benefits dated December 11, 2024 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated December 11, 2024.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditors of the Company, Independent Chartered Accountant, Independent Chartered Engineer, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Consent letter dated December 24, 2024 from Dun & Bradstreet Information Services India Private Limited, for the industry report titled "*Indian Automation Solution Industry*".
12. The report titled "Industry Report for Indian Automation Solution Industry" dated December 23, 2024 prepared and issued by Dun & Bradstreet Information Services India Private Limited, commissioned by and paid for by our Company pursuant to an engagement letter with Dun & Bradstreet Information Services India Private Limited dated October 24, 2024, exclusively for the purposes of the Issue.
13. Board Resolution dated January 09, 2025 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
14. Due Diligence Certificate from Book Running Lead Manager dated January 09, 2025.
15. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the NSE.

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Manoj Pandurang Patil Managing director DIN: 06425903	Sd/-

Date: January 09, 2025

Place: Pune, Maharashtra

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS AND CFO OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Aarti Manoj Patil Executive Director DIN: 07029839	Sd/-

Date: January 09, 2025  
Place: Pune, Maharashtra

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Prafulla Pandurang Patil Executive Director and CFO DIN: 10759798	Sd/-

Date: January 09, 2025  
Place: Pune, Maharashtra

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Ketan Padmakar Chaphekar Independent Director DIN: 01740800	Sd/-

Date: January 09, 2025

Place: Pune, Maharashtra

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Kshama Ronak Dharnidharka Additional Independent Director DIN: 07662396	Sd/-

Date: January 09, 2025  
Place: Pune, Maharashtra

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Santoshkumar Vasantrao Patil Independent Director DIN: 01741975	Sd/-

Date: January 09, 2025  
Place: Pune, Maharashtra



### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Niharika Shamindra Singhal Company Secretary and Compliance Officer	Sd/-

Date: January 09, 2025

Place: Pune, Maharashtra