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SAN TRICA REALTORS LTD.

## SAN TRICA REALTORS LIMITED

(Corporate Identification Number: U55100MH2007PLC169803)

Registered Office	Contact Person	Email and Telephone	Website
Swapnshilp Bunglow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar- 401303, Maharashtra, India	Ms. Nupur Mohit Agrawal (Company Secretary & Compliance Officer)	Email: <a href="mailto:cs@santrica.com">cs@santrica.com</a> ; <a href="mailto:info@santrica.com">info@santrica.com</a> Tel No.: +91 7770011015	<a href="http://www.santrica.com">www.santrica.com</a>

## PROMOTER OF OUR COMPANY: DR. NITIN VITHALRAO THORAVE

## DETAILS OF ISSUE TO PUBLIC

Type	Fresh Issue Size	Total Issue Size	Eligibility
Fresh Issue	Upto 32,00,000 Equity Shares at the Issue Price of Rs. 125 each aggregating upto Rs. 4,000.00 Lakhs	Upto 32,00,000 Equity Shares at the Issue Price of Rs. 125 each aggregating upto Rs 4,000.00 Lakhs	This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue is being made pursuant to Regulation 229 (1) of SEBI (ICDR) Regulations, as the Company's post issue paid up capital is less than Rs. 10.00 Cr.

## RISKS IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price of Rs. 125 is 12.5 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 80 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISK

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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to 'Risk Factors' on page 25.**

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). For the purpose of the Issue, the Designated Stock Exchange will be BSE Limited ("BSE").

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
Name of the Lead Manager to the Issue  <b>FIRST OVERSEAS CAPITAL LIMITED</b>	Name of Contact Person: Mr. Rushabh Shroff / Ms. Mala Soneji Tel. No.: +91 22 40509999 Email: <a href="mailto:rushabh@focl.in">rushabh@focl.in</a> / <a href="mailto:mala@focl.in">mala@focl.in</a>	Name of the Registrar to the Issue  <b>BIGSHARE SERVICES PRIVATE LIMITED</b>	Name of Contact Person: Mr. Babu Rapeal C  Tel. No.: +91 22 62638200 E-mail: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>

## BID/ ISSUE PROGRAMME

ISSUE OPENS ON:	
ISSUE CLOSES ON:	



## SAN TRICA REALTORS LIMITED

**Corporate Identification Number: U55100MH2007PLC169803**

Our Company was originally incorporated as San Trica Realtors Private Limited on April 09, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Subsequently the name of the company was changed from "San Trica Realtors Private Limited" to "San Trica Realtors Limited" under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on December 24, 2021 and had obtained fresh certificate of incorporation January 19, 2022 issued by the Registrar of Companies, Mumbai. For details pertaining to the changes of name of our company and change in the registered office, please refer to the chapter titled '*History and Certain Corporate Matters*' beginning on page no. 131 of this Draft Prospectus.

**Registered Office:** Swapnshilp Bunglow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar- 401303, Maharashtra, India; **Tel. No.:** +91 7770011015; **Email:** [cs@santrica.com](mailto:cs@santrica.com); [info@santrica.com](mailto:info@santrica.com); **Website:** [www.santrica.com](http://www.santrica.com); **Contact Person:** Ms. Nupur Mohit Agrawal, Company Secretary & Compliance Officer

PROMOTER OF OUR COMPANY: DR. NITIN VITHALRAO THORAVE	
INITIAL PUBLIC ISSUE OF 32,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF SAN TRICA REALTORS LIMITED ("OUR COMPANY" OR "THE ISSUER COMPANY") FOR CASH AT A PRICE RS. 125/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 115/- PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO RS. 4000.00 LAKHS ("THE ISSUE"), OUT OF WHICH 1,60,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR A CASH PRICE OF RS. 125/- PER EQUITY SHARE, AGGREGATING TO RS. 200.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 30,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. 125/- PER EQUITY SHARE AGGREGATING TO RS. 3800.00 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 32.75% AND 31.11%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 227 OF THIS DRAFT PROSPECTUS.	
THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "ISSUE PROCEDURE" ON PAGE 235 OF THE DRAFT PROSPECTUS.	
All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. A copy will be delivered for registration to the Registrar of Companies as under Section 26 and Section 32 of the Companies Act, 2013. For details in this regards, specific attention is invited to "Issue Procedure" on page 235. A copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.	
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF Rs. 125 IS 12.5 TIMES OF THE FACE VALUE	
RISKS IN RELATION TO THE FIRST ISSUE	
This being the first issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is Rs.10.00. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISK	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. <b>Specific attention of the investors is invited to the statement of 'Risk Factors' given on page 25 under the section 'General Risks'.</b>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
LISTING	
The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("SME Platform of BSE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited ("BSE") for using its name in the offer document for listing of our shares on the SME Platform of BSE. For the purpose of the Issue, the Designated Stock Exchange will be BSE Limited ("BSE"). A copy of prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of Companies Act, 2013.	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>FIRST OVERSEAS CAPITAL LIMITED</b> 1-2 Bhupen Chambers, Dalal Street, Fountain, Mumbai – 400 001, Maharashtra, India <b>Tel No.:</b> +91 22 4050 9999 <b>Email:</b> <a href="mailto:rushabh@focl.in">rushabh@focl.in</a> / <a href="mailto:mala@focl.in">mala@focl.in</a> <b>Investor Grievance Email:</b> <a href="mailto:investorcomplaints@focl.in">investorcomplaints@focl.in</a> <b>Website:</b> <a href="http://www.focl.in">www.focl.in</a> <b>Contact Person:</b> Mr. Rushabh Shroff /Ms. Mala Soneji <b>SEBI Registration No:</b> INM000003671	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> Office No. S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai - 400 093, Maharashtra, India <b>Tel No.</b> +91 22 62638200 <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Babu Rapheal C <b>SEBI Registration No.:</b> INR000001385
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the chapters titled ‘Summary of Our Business’, ‘Risk Factors’, ‘Statement of Tax Benefits’, ‘Industry Overview’, ‘Our Business’, ‘Key Regulations and Policies in India’, ‘Restated Financial Statements’, ‘Outstanding Litigation and Material Developments’, “Issue Procedure”, and “Main Provisions of Articles of Association” beginning on page nos. 21, 25, 82, 85, 104, 117, 163, 197, 235 and 264 respectively, shall have the meanings ascribed to such terms in the respective sections.*

### I. CONVENTIONAL / GENERAL TERMS

San Trica Realtors Limited/ San Trica/ STRL / The Company/ Company/ We/ Us/ Our/ our Company/ the Issuer Company	Unless the context otherwise indicates or implies refers to San Trica Realtors Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at SwapnshilpBunglow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar- 401303, Maharashtra, India.
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TERM	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Articles / Articles of Association /AoA	Unless the context otherwise requires, refers to the Articles of Association of San Trica Realtors Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015
Auditors/ Statutory Auditors of the Company	The Statutory & Tax Auditors of our Company, being R. K. Chapawat & Co, Chartered Accountants
Board of Directors / Board / Director(s) / Our Board	The Board of Directors of our Company, including all duly constituted Committee(s) thereof.
Chief Executive Officer	Chief Executive Officer of our Company in this case being, Ms. Abhilasha Nitin Thorave
Chief Financial Officer	Chief Financial Officer of our Company in this case being, Mr. Anuj Vijay Khanderkar
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company is Ms. Nupur Mohit Agrawal
Director(s)	Director(s) of our Company unless otherwise specified
Equity Shares/ Shares	Equity Shares of our Company having a face value of Rs. 10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity shares of our Company unless otherwise specified in the context otherwise.

TERM	DESCRIPTION
ESOP	Employee Stock Option
FV	Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each.
Group Companies	In terms of SEBI ICDR Regulations, the term “Group Companies” includes companies (other than our Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, such entities as are included in the Chapter in ‘ <b><i>Our Group Companies / Entities</i></b> ’ beginning on page 156 of this Draft Prospectus.
Independent Director	A non-executive and independent director of our Company appointed as per Section 149(6) the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. For details, please refer to the chapter titled “ <b><i>Our Management</i></b> ” beginning on page no. 135 of this Draft Prospectus.
Key Managerial Personnel / KMP	The personnel are listed as Key Managerial Personnel our Company as per Section 2(51) of the Companies Act, 2013 and Regulation 2(bb) of the SEBI (ICDR), Regulation, 2018 and as identified in the chapter titled ‘ <b><i>Our Management</i></b> ’ beginning on page 135 of this Draft Prospectus.
Materiality Policy	The policy adopted by our Board on August 30, 2022 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Non- Resident	A person resident outside India, as defined under FEMA Regulations.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted on August 30, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” on page no. 135 of this Draft Prospectus
NRIs/Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	The Peer Review Auditors of our Company, being R. K. Chapawat & Co, Chartered Accountants
Promoter/ Promoters of our Company	Promoter of our Company is Dr. Nitin Vitthalrao Thorave
Promoter Companies/ Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the Promoter Companies/ Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed in ‘ <b><i>Our Group Companies / Entities</i></b> ’ beginning on page 156 of this Draft Prospectus.
Registered Office	The Registered Office of our Company which is located at Swapnshilp Bunglow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar-401303, Maharashtra, India.
Registrar of Companies	ROC Bhavan, 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India
Restated Financial Statements	The financial information of the Company which comprises of the restated statement of assets and liabilities as at March 31, 2022, March 31, 2021, March 31, 2020 and as at June 30, 2022 the restated statement of profit and loss and the restated cash flow statement for the years ended March 31, 2022, March 31, 2021, March 31, 2020 and as at June 30, 2022 and the related notes, schedules and annexures thereto included in this Draft Prospectus, which have been prepared in accordance with Section 133 of the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations.
SME Exchange	Unless the context otherwise requires, refer to the SME Platform of BSE
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board as described in “ <b><i>Our Management</i></b> ” beginning on page no. 135 of this Draft Prospectus.

TERM	DESCRIPTION
Willful Defaulter(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

## 2. ISSUE RELATED TERMS

TERM	DESCRIPTION
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares pursuant to the issue to the successful Applicants.
Allocation / Allocation of Equity Shares	Unless the Context otherwise requires, the allocation of Equity Shares pursuant to this Issue to successful Applicants.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee`s	The successful applicant to whom the Equity Shares are/ have been allotted.
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Collecting Intermediary	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') (and 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') (and whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application Form	The form in terms of which the prospective Applicants shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by all applicants to make a Bid authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by RIIs using UPI Mechanism.
ASBA Account	Account maintained by an ASBA Applicants with an SCSB which will be blocked by such SCSB to the extent of the Application Amount.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled <b>“General Information”</b> beginning on page 54 of this Draft Prospectus.
Banker(s) to the Issue/ Escrow Collection Bank(s)/Public Issue Bank/ Refund Banker	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom Escrow Account will be opened and in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue in consultation with the Stock Exchange which is described in the Chapter titled <b>‘Issue Procedure’</b> beginning on page 235 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application forms to a Registered Broker. the details of such broker

TERM	DESCRIPTION
	centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE- <a href="http://www.bseindia.com">www.bseindia.com</a>
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) or CDP(s)	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. GR/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 Lead Manage, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs
Demographic Details	The demographic details of the Applicants such as their Name, Address, Pan, Occupation, Applicant Status and Bank Account details and UPI (If applicable)
Depository/Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act, 1996, as amended from time to time.
Designated CDP Location	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Offer Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries/ Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, 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 / Market Maker	In our case, [●]
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants 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> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange/ SE	SME Platform of BSE
Draft Prospectus	The Draft Prospectus dated December 09, 2022 issued in accordance with section 26 of the Companies Act, 2013 and filed with the BSE under SEBI (ICDR) Regulation, 2018 as amended from time to time.



TERM	DESCRIPTION
Escrow Agreement	Agreement dated [●] entered in to amongst our Company, Lead Manager and the Registrar, the Banker(s) to the Issue/ Escrow Collection Bank(s) for collection of the Application Amounts from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Reconstitutes an invitation to subscribe to the Equity Shares offered herein.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Issue/ Escrow Collection Bank(s) at which bank(s) the Escrow Account of our Company will be opened, in this case being [●].
First/Sole Applicant	The Applicant whose name appears first in the Application Form or 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.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered to with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
Issue / Issue Size/ IPO/Initial Public Offering/Public Issue	Public Issue of 32,00,000 Equity Shares of Rs. 10/- each fully paid of San Trica Relators Limited (“STRL” or “the Company” or “the Issuer”) for cash at a price of Rs. 125/- Per Equity Share aggregating to Rs. 4000.00 Lakhs. The Net Issue will constitute 31.11% of the post issue paid up capital of the Company
Issue Agreement/ MoU	The agreement dated December 06, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Period	The Issue period shall be [●], being the Issue Opening Date, to [●], being the Issue Closing Date.
Issue Closing Date	[●], The Date on which Issue closes for subscription
Issue Opening Date	[●], The Date on which Issue opens for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 125/- per equity share.

TERM	DESCRIPTION
Issue Proceeds	The proceeds to be raised by our Company through Fresh Issue is Rs. 4000.00 Lakhs.
LM / Lead Manager	Lead Manager to the Issue, in this case being First Overseas Capital Limited, SEBI Registered Category I Merchant Bankers.
Listing Agreement with SME Platform of BSE	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE
Lot Size	The Market lot and Trading lot for the Equity Share is 1,000 and in multiples of 1,000 thereafter; subject to a minimum allotment of 1,000 share to the successful applicants
Market Making Agreement	Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
Market Maker/MM	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved portion of 1,60,000 EquityShares of Rs. 10/- each at Rs. 125/- Per Equity Shares aggregating to Rs. 200.00 Lakhs for Market Maker in the Initial Public Issue of San Trica Relators Limited.
Minimum Promoter's Contribution	Aggregate of 20 % of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter which shall be provided towards minimum promoter of 20% and locked-in for a period of three years from the date of Allotment
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund(s)/ MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/ Net Proceeds	The Issue (excluding the Market Maker Reservation Portion) of 30,40,000 Equity Shares of Rs. 10/- each of San Trica Relators Limited at Rs. 125 Per Equity Share aggregating to Rs. 1900.00 Lakhs.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Investors/ Applicants/NIIs	All Applicants (including Category III FPIs which are foreign corporate or foreign individuals but not including NRIs, other than eligible NRIs) that are not Qualified Institutional Buyers (QIBs) (including Anchor Investors or Retail Individual Applicants/Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000.
Non-Indian Resident/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulation, as amended from time to time
BSE SME	The SME platform of National Stock Exchange Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
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.

TERM	DESCRIPTION
Prospectus	The Prospectus dated [●] to be filed with the ROC in accordance with Section 26 of the Companies Act, 2013 and SEBI (ICDR), Regulations containing inter alia, the Issue opening and Issue closing dates and other certain information
Public Issue Account	Account opened with Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	A Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI (ICDR), Regulations, 2018
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made
Refund Bank(s)	The Bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals.
Registrar Agreement	The agreement dated November 01, 2022 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 issue by SEBI
Registrar/ Registrar to the Issue	Registrar to this Issue being Bigshare Services Private Limited having an registered office S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai – 400093, Maharashtra, India
Retail Individual Investors/ RIIs	Individual investors, or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than or equal to Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Self-Certified Syndicate Banks/ SCSB	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SCSB Agreement	The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account
SME Platform of BSE/ SME Exchange/ Stock Exchange/ BSE SME	The SME Platform of BSE, as approved by SEBI as a SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Specified Securities	Equity Shares are being offered through this Draft Prospectus
Sponsor Banker	The Banker(s) registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Applicants into the UPI, in this case being [●].

TERM	DESCRIPTION
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters to the Issue	First Overseas Capital Limited
Underwriting Agreement	The Agreement dated [●] entered into between the Underwriters and our Company.
Unified Payments Interface/ UPI	UPI is an instant payment system developed by the NPCI.
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
UPI Application	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request / Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. 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, using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular

TERM	DESCRIPTION
	(SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.
UPI PIN	Password to authenticate UPI transaction.
Willful Defaulter	Willful Defaulter is defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018, means a person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR), Regulations, 2018, working day means all days on which commercial banks in the city as specified in the offer document are open for business. - However, till Application / Issue closing date: All days other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sunday or a public holiday; - Post Application / Issue closing date and till the Listing of Equity Shares: Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays (in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016).

## ABBREVIATIONS

ABBREVIATIONS	FULL FORMS
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Funds as defined in and registered under SEBI AIF Regulations
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
CST	Central Sales Tax
Contract Act	The Indian Contract Act, 1872 as amended from time to time
COVID-19	Coronavirus disease 2019
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
DTC	Direct Tax Code, 2013
EBIDTA	Earning/Revenues from operations (net) less total expenses (expenses other than finance cost, depreciation and amortization)
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earnings Per Share

ABBREVIATIONS	FULL FORMS
ESOP	Employee Stock Option Plan
FCNR	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
FII's	Foreign Institutional Investor, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2014, as amended from time to time and registered with the SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investor as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India
FTP	Foreign Trade Policy, 2009
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
GAAP	General Accepted Accounting Principles
GDP	Gross Domestic Product
GFSR	Global Financial Stability Report
GoI/ Government	Government of India
GST	Goods and Services Tax Act, 2017
HNI	High Networth Individuals
HR	Human Resources
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
ICDR/ ICDR Regulations/ SEBI ICDR/ SEBI (ICDR) Regulations	The Securities and Exchange Board of India (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.
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST	Integrated GST
IMPS	Immediate Payment Service
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/Rs./Rupees/ `	Indian Rupees, the legal currency of the Republic of India
JV	Joint Ventures
Km	Kilometres
KMP	Key Managerial Personnel
LM	Lead Manager
LMT	Lakh Metric Tonnes
Ltd	Limited
MB	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended from time to time.
MD	Managing Director
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MICR	Magnetic Ink Character Recognition
Mkt.	Market
Mn	Million
MOA	Memorandum of Association
MoF	Ministry of Finance, Government of India

<b>ABBREVIATIONS</b>	<b>FULL FORMS</b>
MOU	Memorandum of Understanding
MSP	Minimum Support Price
N.A./ n.a.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non- Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
No.	Number
NPCI	National payments Corporation of India
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PE	Private Equity
PE Ratio	Price/ Earning Ratio
PIO	Persons of Indian Origin
POA	Power of Attorney
PPE	Personal Protective Equipment
Pvt.	Private
Pvt. Ltd.	Private Limited
QFI	Qualified Foreign Investors
QIB	Qualified Institutional Buyers
RBI	The Reserve Bank of India
R & D	Research and Development
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act as amended from time to time
SEZ	Special Economic Zone
SGST	State GST
SME	Small and Medium Enterprise
SSI Undertakings	Small Scale Industrial Undertakings
STT	Securities Transaction Tax
TIN	Tax Identification Number
TAN	Tax Deduction and Collection Account Number
TRS	Transaction Registration Slip
TNW	Total Net Worth
UIN	Unique Identification Number

<b>ABBREVIATIONS</b>	<b>FULL FORMS</b>
u/s	Under Section
UPI	Unified Payment Interface
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
Venture Capital Fund(s)/ VCF(s)	Venture Capital Funds as defined and registered with SEBI under Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
VAT	Value Added Tax
WDV	Written Down Value
WEO	World Economic Outlook
w.e.f.	With Effect From
WTD	Whole Time Director
WTO	World Trade Organization
YoY	Year over year



### 3. TECHNICAL/ INDUSTRY RELATED TERMS

TERM	DESCRIPTION
AHF	Affordable Housing Fund
AIU	Associations of Indian Universities
AKAM	Azadi Ka Amrut Mahotsav
NHB	National Housing Bank
NIDHI	National Integrated Database of Hospitality Industry
PMAY	Pradhan Mantri Awas Yojana
PPP	Public-Private Partnership
PRASHAD	Pilgrimage Rejuvenation and Spiritual and Heritage Augmentation Drive (PRASHAD) Scheme
SIHM	State Institute of Hotel Management

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “San Trica Relators Limited” and/or “STRL” and/or “San Trica Relators”, unless the context otherwise indicates or implies, refers to San Trica Relators Limited.

All references in this Draft Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America. Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

### Financial Data

Unless stated otherwise, the financial data which is included in this Draft Prospectus is derived from our restated/ audited financial statements for the financial years ending on March 31, 2022, 2021 and 2020 and as at June 30, 2022 prepared in accordance with Indian GAAP, Accounting Standards, the Companies Act, 2013 (Such provisions of the Companies Act, 1956 which were in force as on date) and restated financial statements of our company prepared in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘*Financial Statements*’ beginning on page 163 of this Draft Prospectus.

Our Financial Year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the following year, so all references to a particular Financial Year are to the (12) twelve-month period ended March 31<sup>st</sup> of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. Further, figure represented in the BRACKET or with the sign “ - ” indicates NEGATIVE data in this Draft Prospectus in relation to our Company and Industries. There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices/ Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapters titled ‘*Risk Factors*’, ‘*Our Business*’ and ‘*Management's Discussion and Analysis of Financial Conditions and Results of Operations*’ beginning on page 25, 104 and 189, respectively, of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations.

### Currency and Units of presentation

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

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

All references to the word “Lakh/Lakhs or Lac” mean “One Hundred Thousand”, the word “Crore/Crores” means “Hundred Lakhs”, the word “Million (million) or Mn” means “Ten Lakhs”, the word “Crores” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crores”.

### Industry and Market Data

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

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

## FORWARD LOOKING STATEMENT

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

These forward looking statements can generally be identified by words or phrases such as “will”, “may”, “aim”, “is likely to result”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include but are not limited to the followings:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to successfully implement our growth strategy and expansion plans, technological initiatives, and to launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to respond to technological changes;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel and the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- General social and political conditions in India which have an impact on our business activities or investments;
- Potential mergers, acquisitions restructurings and increased competition;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to finance our business growth and obtain financing on favorable terms;
- Our ability to manage our growth and to compete effectively, particularly in new markets and businesses;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled ‘*Risk Factors*’, ‘*Our Business*’ and ‘*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*’ beginning on page 25, 104 and 189, respectively of this Draft Prospectus.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors nor the Lead Managers, nor any of their respective affiliates or associates have any obligation to, and do not intend 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 Lead Manager will ensure that investors in India are informed of material developments until the listing and trading permission is granted by the Stock Exchange(s).

## SECTION II – SUMMARY OF THE ISSUE DOCUMENT

### Summary of our Business

We are an integrated service provider in hospitality and real estate sector. Our Company was originally incorporated as San Trica Realtors Pvt.Ltd. on April 09, 2007 in Mumbai, Maharashtra under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra. Subsequently the name of the company was changed from “San Trica Realtors Private Limited” to “San Trica Realtors Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on December 24, 2021 and had obtained fresh certificate of incorporation January 19, 2022 issued by the Registrar of Companies, Mumbai. The CIN of our Company is U55100MH2007PLC169803.

Our Company provides restaurant and hotel services. Our Company, with the leadership of our Directors, hand bagged India’s first single largest valued auction in co-operative sector in 2007 through which the Company got it’s first project of “*Hotel Ranjeet*”. Originally the hotel had 1 Restaurant, 3 Banquets and 22 Rooms. The hotel is located at a prime location with footholds of famous personalities. It is located in Bhandarkar road, Deccan Gymkhana, Pune and built on an area of about 9,423 sq. ft. i.e., 1170 Sq. meters. The hotel offers multicuisine restaurants, two floors equipped with banqueting facilities, swimming pool, gym and along with a spa. The Hotel also has private dining spaces, and exclusive open-air lawn spaces for banquets. The hotel is situated on the ground floor with approx. 2500 sq.ft. of covered space and 4500 sq.ft. of open space on the left side and back side of the building premises. Our hotel platform emphasizes on strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, our Group has developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at prominent locations with high barriers-to-entry and in large density business districts of their respective metro cities, according to the Horwath Report. We generally develop our hotels on large land parcels, allowing us to accommodate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and multicuisine restaurants, large banquet and outdoor spaces. We endeavour to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments in an efficient gross built up area and development cost per key.

For more information on our Company’s business, please refer to chapter titled “*Our Business*” on page no. 104 of this Draft Prospectus.

### Summary of our Industry

#### INDIAN REAL ESTATE INDUSTRY

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

#### TOURISM & HOSPITALITY INDUSTRY IN INDIA

With a total area of 3,287,263 sq. km extending from the snow-covered himalayan heights to the tropical rain forests of the south, India has a rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. This provides a significant opportunity to fully exploit the potential of the tourism sector.

India being one the most popular travel destinations across the globe has resulted in the Indian tourism and hospitality industry to emerge as one of the key drivers of growth among the services sector in India. Tourism industry in India

has significant potential considering the Tourism is an important source of foreign exchange in India similar to many other countries. The foreign exchange earnings from 2016 to 2019 grew at a CAGR of 7% but dipped in 2020 due to the COVID-19 pandemic.

It is widely acknowledged that the tourist and hospitality sector, which encompasses travel and hospitality services like hotels and restaurants, is a development agent, a catalyst for socioeconomic growth, and a significant source of foreign exchange gains in many countries. India's rich and exquisite history, culture, and diversity is showcased through tourism while also providing significant economic benefits. The consistent efforts of the central and the state governments has helped the tourism industry to recover from the covid-19 pandemic shock and operate at the pre pandemic level.

For detailed information on the industry, please refer to chapter titled “**Industry Overview**” beginning on page no. 85 of this Draft Prospectus.

### **Names of the Promoters**

As on date of this Draft Prospectus, our Promoter is Dr. Nitin Vitalrao Throave.

### **Size of the Issue**

This is the Fresh Issue of Equity Shares. Initial Public Offer is of 32,00,000 of face value of Rs. 10 each of the Company for cash at a price of Rs. 125.00 per Equity Share (including a share premium of Rs. 115.00 per Equity Share) aggregating up to Rs. 4000.00 Lakhs.

### **Objects of the Issue**

<b>(Rs. In Lakhs)</b>		
<b>Sr. No.</b>	<b>Objects of the Issue</b>	<b>IPO Proceeds</b>
1.	To meet the Working Capital requirements	3071.91
2.	General Corporate Expenses	863.09
3.	To meet the expenses of the Issue	65.00
	<b>Total</b>	<b>4000.00</b>

**Offer For Sale**-There is no Offer for Sale as Our Company is making only a Fresh Initial Public Offer/Issue.

For detailed information on the “*Objects of the Issue*”, please refer to chapter titled “*Objects of the Issue*” on page no. 75 of this Draft Prospectus.

### **Pre-Issue Shareholding of the Promoter and Promoter Group**

The aggregate shareholding of Our Promoter and Promoter Group before the Issue is set forth below:

<b>Sr. No.</b>	<b>Name of the Shareholders</b>	<b>Pre-Issue</b>		<b>Post-Issue</b>	
		<b>No. of equity shares</b>	<b>As a % of Pre-Issued Capital</b>	<b>No. of equity shares</b>	<b>As a % of Post-Issue Capital</b>
<b>A</b>	<b>Promoter</b>	49,10,343	74.72	49,10,343	50.25
<b>B</b>	<b>Promoter Group &amp; Relatives</b>	16,60,901	25.27	16,60,901	16.99
<b>C</b>	<b>TOTAL (A+B)</b>	<b>65,71,244</b>	<b>99.99</b>	<b>65,71,244</b>	<b>67.24</b>

For further details relating to the allotment of Equity Shares to our Promoters and Promoter Group members, please refer to the chapter titled ‘*Capital Structure*’ beginning on page no. 64 of this Draft Prospectus.

### **Financial Information**

The following tables set forth details the financial information as per the Restated Audited Financial Statements for financial year ended on March 31, 2022, 2021 and 2020 and as at June 30, 2022.

For detail information, please refer to the chapters and notes mentioned therein titled '*Restated Financial Information*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page no. 163 and 189 respectively of this Draft Prospectus.

(Rs. in Lakhs)

Particulars	As at June 30, 2022	As at March 31,		
		2022	2021	2020
Share Capital	657.15	567.35	1.38	1.38
Net Worth	1096.58	(282.64)	(1004.06)	(813.82)
Total Revenue from operations	436.84	521.76	137.22	214.29
Profit after Tax	256.72	155.45	(190.24)	(105.76)
EPS (in Rs.)- Basis & Diluted	2.87	5.45	(922.38)	(1538.33)
NAV per equity share (in Rs.)	16.69	(4.98)	(7302.25)	(5918.69)
Total borrowings (as per restated balance sheet) *	50.78	45.74	41.21	37.12

\* *Total Borrowings includes installment amounts of term loans repayable within 12 months grouped under "Short Term Borrowings".*

#### **Auditors' Qualifications which have not been given effect to in the Restated Financial Statements**

Independent Auditor's Report on Restated Financial Statements is issued by M/s. R. K.Chapawat & Co, Chartered Accountants, Mumbai contains following Qualifications.

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

#### **Summary of the Outstanding Litigations**

For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Companies, please refer chapters titled "*Outstanding Litigation and Material Developments*" and "*Risk Factors*" on page no. 197 and 25, respectively, of this Draft Prospectus.

#### **Risk Factors**

An investment in the Equity Shares involves a high degree of risk. Potential Investors should carefully consider all the information in this Draft Prospectus and are advised to read the section titled "*Risk Factors*" beginning on page no. 25 of this Draft Prospectus, including the risks and uncertainties, before making/taking an investment decision in our Equity Shares.

In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. The risks described in the said chapter are relevant to the industries our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries.

For further details, please refer to the Section titled "*Risk Factors*" beginning from page no. 25 of this Draft Prospectus.

#### **Summary of Contingent Liabilities**

For detailed information on the Contingent Liabilities on our Company, please refer "*Annexure 31: Statement of Contingent Liabilities*" appearing on page 186 of this Draft Prospectus under Chapter titled "*Restated Financial Information*" beginning on Page no. 163 of this Draft Prospectus.

#### **Summary of Related Party Transactions**

For detailed information on the Related Party Transaction on our Company, please refer "*Annexure 32: Statement of details of Related Party Transactions*" appearing on page 186 of this Draft Prospectus under Chapter titled "*Restated Financial Information*" beginning on Page no. 163 of this Draft Prospectus.

## Details of Financing Arrangements

The Promoters, member of Promoter Group, the Directors of the Company which a Promoter of the Issuer, the Director of our company and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Prospectus.

### Cost of Acquisition of Shares & Weighted Average Cost of the Shares Acquired by our Promoters

The weighted average price of the equity shares acquired by our Promoter within last one (1) year from the date of filing of this Draft Prospectus are set forth below:

Name of Promoter	No. of equity share held	Average cost of acquisition (in Rs.)
Dr. Nitin Vitthalrao Thorave	48,98,000	31.08

\* For further details, please refer to the chapter titled “*Capital Structure*” on page no. 64 of this Draft Prospectus.

### Average Cost of Acquisition of Shares

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

Name of Promoter	No. of equity share held	Average cost of acquisition (in Rs.)
Dr. Nitin Vitthalrao Thorave	49,10,343	31.03

### Pre-IPO Placement

Our Company has not placed any Pre-IPO Placement as on date of filing this Draft Prospectus.

### Equity Shares issued for Consideration Other Than Cash

Our Company has not issued any other equity shares for consideration other than cash during last one year preceding the date of filing this Draft Prospectus.

### Split / Consolidation of Equity Shares

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of filing this Draft Prospectus.

### SEBI Exemption

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.



### SECTION III – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*This Draft Prospectus also 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 many factors, including the considerations described below and elsewhere in this Draft Prospectus. These risks are not the only ones that our Company faces. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

*To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled '**Our Business**' and '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 104 and 189 respectively, of this Draft Prospectus as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled '**Financial Statements**' beginning on page 163 of this Draft Prospectus. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.*

#### **Materiality**

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

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have material impact quantitatively.*
- 3. Some events may have an impact which is qualitative though not quantitative.*
- 4. Some events may not be material at present but may have a material impact in the future.*

#### **Note:**

*The risk factors are as envisaged by the management along with the proposals to address the risk, if any. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled "**Definitions and Abbreviation**" beginning on page 6 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*In this Draft Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "**Risk Factors**" and elsewhere in this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.*

## INTERNAL RISK FACTORS

### Risks relating to Our Company and Business

1. *There are certain outstanding proceedings filed our Company which may adversely affect our business, financial condition and results of operations.*

As on the date of this Draft Prospectus, our Company is involved in certain legal proceedings. There are various outstanding legal proceedings filed by our Company which is pending at various levels of adjudication before various courts, tribunals and authorities in India. In addition, our Company is also subject to risks of litigation including public interest litigation, contract, employment related, personal injury and property damage.

We cannot provide any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business including the financial condition of our Company. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that we will be able to recover any losses incurred on account of third parties, regardless of whether we are at fault. Even if we are successful in defending such cases, we may be subject to legal and other costs incurred pursuant to defending such litigation. There can be no assurance that losses relating to litigation will be covered by insurance or that any such losses would not have a material adverse effect on the results of our operations or financial condition. A summary of the outstanding proceedings and other material litigations as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

(Rs. in lakhs)

Nature of case	Cases filed by		Cases filed Against	
	No. of Cases	Amount involved	No. of Cases	Amount involved
<b>Litigation involving our Company</b>				
Criminal cases	1	40.18	1	-
Civil cases	1	25.79	1	Not ascertainable
Tax Proceedings	4	221.00	1	6.97
<b>Litigation involving our Promoters</b>				
Criminal cases	-	-	1	Not ascertainable
Civil cases	2	33.00	-	-
Tax Proceedings	2	160.56	3	23.47
<b>Litigation involving our Group Companies</b>				
Criminal cases	6	33.00	-	-
Civil cases	-	-	-	-
Tax Proceedings	-	-	-	-
SEBI Proceedings Pending With Regards To Our Company & Promoters	-	-	-	-
Proceedings initiated against our company for Economic Offences	-	-	-	-

*The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending. Such liability, if any, would crystallize only on the order of the tribunal where the case(s) is / are pending.*

For further details, please refer to section titled “**Outstanding Litigation and Material Developments**” beginning on page no. 197 of this Draft Prospectus.

2. ***The recent outbreak of the novel coronavirus could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition, and results of operations.***

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our office. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this lockdown although we have continued with our business, the execution of our business operations was delayed by few weeks.

We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

3. ***Our Company is engaged into developing a real estate project. However, our future success largely depends on our ability to develop our upcoming real estate projects. Our inability to effectively develop our upcoming projects would affect our business model.***

We are engaged in the business of real estate development. We have real estate development project in and around Mumbai and Palghar City in Maharashtra. Currently, our business focuses on residential apartments and commercial developments. Our residential apartment portfolio consists of various types of accommodation of varying sizes. Our residential projects are primarily designed for middle income and high-income group. Our residential buildings are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up. Our operations span all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects, through to the maintenance and management of our completed developments. We cannot assure you that our Company will successfully develop our upcoming real estate projects. Any such delay or inability to develop our upcoming projects could adversely affect our business model.

4. ***Our Company has limited experience in the business of real estate development, which could have an adverse effect on the Company's results of operations and financial condition***

Our Company has limited experience in the business of real estate development, which could have adversely affected the quality of services providing by our Company and consequently, the profitability of our business. The limited experience of our Company may also make it more difficult to attract and retain our customers which could have a material adverse effect on our business prospects and financial condition. However, our Promoter is having vast experience in this Business from past many years and has been working through Akanksha Developers (through its proprietor i.e. our Promoter) and our Company to construct the building in Andheri as per re development scheme.

5. ***We may not be able to successfully acquire land or development rights for our projects, which may affect our business and growth prospects.***

Our ability to acquire land for development is a vital element of growing our business and involves certain risks, including identifying and acquisition of land with clean title and at locations that are preferred by our target customers. We do internal assessment and evaluation for land selection and acquisition, which includes a due

diligence exercise to assess the title of the land and its suitability for development and marketability. Our internal assessment process is based on information that is available or accessible to us. We cannot assure you that such information is accurate, complete or current, and any decision based on inaccurate, incomplete or outdated information may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business and growth prospects.

**6. *Our Company has incurred losses in the past.***

As per the Restated Financial Statements of our Company, we have incurred loss of Rs. (190.24) lacs in F.Y. 2020-21 and Rs. (105.76) lacs in F.Y. 2019-2020. Our current financial performance does not warrant our future profits. There can be no assurance that we will be able to make profits in future.

**7. *Our Company has entered into MOU and in future may enter into MoUs, Agreements to sell and similar agreements with third parties to acquire land or land development rights, which entails certain risks.***

In past, Our Company has entered into MOU with our Director, Dr. Nitin Thorave, land owner of the CTS No.249(P), Gillbert Hill, SRA Gaodevi CHS Ltd, Gaodevi Road, Village Andheri for development of the said project and in future we may enter into in MoUs, agreements to sell and similar agreements with third parties to acquire title or land development rights with respect to certain land. Since we do not acquire ownership with respect to such land upon the execution of such MoUs, as a result, our Company is subject to the risk that our Company may never acquire registration of title with respect to such land. Our Company may also be required to make partial payments to third parties to acquire certain land or land development rights which our Company may be unable to recover under certain circumstances, which in case may adversely affect our Company's business, financial condition and results of operation.

**8. *We rely on independent third-party service providers and contractors to execute various parts of our projects and any failure on their part to perform their obligations could adversely affect our business, results of operations, and cash flows.***

We utilize various independent service providers and contractors to execute our projects. Also, many of our regulatory requirements and approvals are outsourced to third party consultancy firms who liaison with various government authorities on our behalf. Further, we constantly require labour for our construction work and the same are procured on contractual basis including contacting for electrical, plumbing and other such tasks. If a service provider or contractor fails to perform its obligations satisfactorily or within the prescribed time periods with regard to a project, or terminates its arrangement with us, we may be unable to develop the project with our intended quality, within the intended timeframe and at the pre-estimated cost. If this occurs, we may be required to incur additional cost or time to develop the property to appropriate quality standards in a manner consistent with our development objective, which could result in reduced profits or, in some cases, significant penalties and losses which we may not be able to recover from the relevant service provider or independent contractor. We cannot assure you that the services rendered by any of our independent contractors will always be satisfactory or match our requirements for quality. In addition, we may be subject to claims in relation to defaults and late payments to our contractors, which may adversely affect our business, results of operations, and cash flows.

**9. *We face significant risk with regard to length of time needed to complete each project and there could be unscheduled delays and cost overruns in relation to our ongoing and future projects.***

As on the date of this Draft Prospectus, our Company have not constructed and delivered possession of real estate Projects. However, our Promoter is having vast experience in this Business and he has been associated with Techbuilt Infrastructure and Developers Private Limited, Tech Art Infrastructure Private Limited, Thorve Patil and Abrol Constructions Private Limited, Dr. Nitin V. Thorave Patil Infrs and Properties Private Limited and our Promoter Group Entities namely, Techbuilt Infrastructure and Developers Private Limited, Tech Art Infrastructure Private Limited, Thorve Patil and Abrol Constructions Private Limited, Dr. Nitin V. Thorave Patil Infrs and Properties Private Limited, Virar Townships Private Limited, Thorve Patil Realtors Private Limited, Arnala Beach Resort (Partnership Firm) and Dr. Nitin Thorave (Proprietorship Firm) are engaged in the similar line of business of real estate development, as of our Company. We are also currently proposing to deliver a real estate project in

the coming few years based on our upcoming and planned projects. There has not been any material past instances of unscheduled delays with respect to our completed projects and phases thereof that have caused any material cost overruns. However; our business is extremely dynamic in nature and there could be unscheduled delays and cost overruns in relation to our ongoing or forthcoming projects. During the time there can be changes to the national, state and local business conditions and regulatory environment, local real estate market conditions, perception of prospective customers with respect to the convenience and attractiveness of the project and changes with respect to competition from other property developments. Further, any changes to the business environment such as non-availability of raw materials or increase in cost of construction materials during such time may affect the cost and revenues associated with the project and may ultimately affect the timelines of a project. We cannot assure you that we will be able to complete our projects within the expected budgets and time schedules at all. We may be penalized from the regulatory authorities as well as our client for delay in completion of project.

***10. We depend significantly on our success in our residential real estate business as this is our primary focus.***

Our primary focus is on the development of luxurious and comfortable residential real estate projects for sale. We rely on our ability to understand the preferences of our residential customers and to develop projects that suit their needs. We aim to create aspirational developments that we believe have distinctive eco-friendly designs and functionalities with quality construction and development, as we believe that this enhances our brand and reputation, and enables us to sell our units quickly and at a premium to other competing developments. Our inability to provide customers with distinctive designs or functionalities and quality construction or our failure to continually anticipate and respond to customer needs may affect our business and prospects and could lead to some of our customers switching to our competitors, which could, in turn, materially and adversely affect our business prospects, financial condition and results of operations.

***11. We cannot assure you that the construction of our projects will be free from any and all defects.***

We cannot assure you that we will always finish the construction or development of our projects in accordance with the requisite specifications or that the construction of our projects will be free from any and all defects. If the work is unsatisfactory, the work has to be redone as per the designs and / or as per the instructions of project incharge which will entail additional costs. In the event of discovery of defects/faults in our work, or due to damages to our construction due to factors beyond our control, or any of the other reasons, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations. Further, it may result in cancellation by customers of any commitment to purchase in our real estate projects and/ or refund of any advance deposited with us by any customer as a guarantee for purchase in our real estate projects, dissatisfaction among our customers, resulting in negative publicity, consumer litigation and lack of confidence among future buyers for our projects and all these factors could adversely affect our business, financial condition and results of operations.

***12. We face significant risk with regard to length of time needed to complete each project and there could be unscheduled delays and cost overruns in relation to our ongoing and future projects.***

As on the date of this Draft Prospectus, our Company have constructed and delivered possession of Projects. We are also currently proposing to deliver a real estate project through our subsidiaries in the coming few years based on our upcoming and planned projects. There has not been any material past instances of unscheduled delays with respect to our completed projects and phases thereof that have caused any material cost overruns. However; our business is extremely dynamic in nature and there could be unscheduled delays and cost overruns in relation to our ongoing or forthcoming projects. During the time there can be changes to the national, state and local business conditions and regulatory environment, local real estate market conditions, perception of prospective customers with respect to the convenience and attractiveness of the project and changes with respect to competition from other property developments. Further, any changes to the business environment such as non-availability of raw materials or increase in cost of construction materials during such time may affect the cost and revenues associated with the project and may ultimately affect the timelines of a project. We cannot assure you that we will be able to complete our projects within the expected budgets and time schedules at all. We may be penalized from the regulatory authorities as well as our client for delay in completion of project.

***13. Significant increases in prices of, or shortages of, or delay or disruption in supply of labour and key building materials could affect our estimated construction cost and timelines resulting in cost overruns or less profit.***

As our Company is engaged into construction of residential and commercial projects, our business would adversely be affected by variation in availability, cost and quality of raw materials and labour. We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings, from third-party suppliers. The prices and supply of basic building materials and other raw materials depend on factors outside our control, including cost of their raw materials, general economic conditions, competition, production costs and levels, transportation costs indirect taxes and import duties. Our ability to develop and construct projects profitably is dependent on our ability to obtain adequate and timely supply of building materials within our estimated budget. As we source our building materials from third parties, our supply chain may be interrupted by circumstances beyond our control. Poor quality roads and other transportation-related infrastructure problems, unfavorable weather and road accidents may also disrupt the transportation of supplies. Prices of certain building materials and, in particular, cement and steel prices, are susceptible to rapid increases. Further, we operate in a labor-intensive industry and if we or our contractors are unable to negotiate with the labour or their sub-contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, it may be difficult to procure the required labour for ongoing or planned projects. During periods of shortages in the supply of building materials or labour, we may not be able to complete projects according to our previously determined time frames, at our previously estimated project costs, or at all, which may adversely affect our results of operations and reputation. In addition, during periods where the prices of building materials or labour significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to gain from our projects. These factors could adversely affect our business, results of operations and cash flows.

***14. We may be unable to obtain the requisite approvals, licenses, registrations and permits to develop and operate our hotel and other related businesses or may be unable to renew them in a timely manner, which may affect our operations adversely***

In our business, we will be required to obtain a number of approvals, licenses, registrations and permits to operate. These approvals pertain to, amongst others, environmental clearances, licenses from local authorities for manufacturing and sale of eatables and for operating eating and lodging houses, no-objection from the Chief Fire Officer for fire safety. Whilst we have obtained most of such approvals when the Hotel was operational, certain approvals may have expired in the renovation period of the Hotel and may therefore, be required to apply for renewal of such approvals/ licenses.

Further, the approvals and licenses obtained/to be obtained in relation to our hotel business are subject to numerous conditions, some of which may be onerous and require us to incur substantial time and expenditure. Any failure to obtain or renew the approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our business, financial condition and results of operations.

For further details, please see the section entitled “***Government and Other Approvals***” on page 210 of this Draft Letter of Offer.

***15. Operation of our Hotel entails certain fixed costs that we may not be able to adjust in a timely manner in response to reduction in demand and revenues and rising expenses and which could materially adversely affect our business, financial condition and results of operations***

The fixed costs associated with owning hotel, including committed maintenance costs, property taxes, leasehold payments and maintaining minimum levels of services may be significant. We may not be able to reduce these fixed costs in a timely manner in response to changes in demand for services. Further, our properties could be subject to increase in operating and other expenses due to adverse changes in terms of our hotel management contracts, increasing age of our property and increases in property and other tax rates, utility costs, operating

expenses, insurance costs, repairs and maintenance and administrative expenses, which could adversely affect our business, financial condition and results of operations.

***16. Failure to keep pace with developments in technology could adversely affect our operations or competitive position***

The hotel industry demands use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programs, distribution of hotel resources to current and future customers and guest amenities. These technologies may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by us. We cannot assure you that as various systems and technologies become outdated or new technology is required, we will be able to replace or introduce them as quickly as required or in a cost-effective and timely manner. We also cannot assure you that we will achieve the benefits we may have been anticipating from any new technology or system.

***17. We and our business operations are subject to significant regulation in India***

We and our business operations are subject to numerous laws and regulations at the location in which we operate, including those relating to the preparation and sale of food and beverages, such as health and liquor licensing laws and environmental laws. Our hotel is also subject to laws and regulations governing relationships with employees in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Monitoring legal developments and maintaining internal standards and controls to abide by local rules and regulations can be costly for us which could adversely affect our operations.

Further, our hotel is subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business. These laws and regulations include the Environmental Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. We are required to conduct an environmental assessment for our hotel project before receiving regulatory approval for this project. These environmental assessments may reveal material environmental problems, which could result in us not obtaining the required approvals.

Any failure to comply with these rules and regulations could adversely affect our reputation and fines or penalties may have an adverse effect on our financial condition and results of operations.

***18. Our business and results of operations could be adversely affected by the incidence and rate of property taxes and stamp duties.***

As a property owning and development company, we are subject to the property tax regime in the geographies that we operate in. We are also subject to stamp duty for the agreements entered into in respect of the properties we buy and sell. These taxes could increase in the future, and new types of property taxes, stamp duties may be introduced which would increase our overall costs. If these property taxes and stamp duties increase, the cost of buying and selling properties may rise. Additionally, if stamp duties or higher stamp duties were to be levied on instruments evidencing transactions which we believe are currently subject to nil or lesser duties, our acquisition costs and sale values may be affected, resulting in a reduction of our profitability. Any such changes in the incidence or rates of property taxes or stamp duties could have an adverse effect on our business and results of operations.

- 19. *Changes in market conditions between the time that we acquire land, enter into development agreements, construct and ultimately sale, may affect our ability to achieve the estimated profits out of our projects or at all, which could adversely affect our revenues and earnings.***

There might be a time gap between our acquisition of land or development rights to the land and the development and sale of our projects, during which, we may be exposed to risks of fluctuation in market value of land. Any downward changes in the market value of land could have a material adverse effect on our business. Our ability to mitigate the risk of any market value fluctuations is limited by the illiquid nature of real estate investments. We could be adversely affected if the market conditions deteriorate or if we purchase land at higher prices and the value of the land declines subsequently. As a result, we may experience fluctuations in property values over time which in turn may adversely affect our business, financial condition and results of operations.

- 20. *Some of our projects are in the preliminary stages of planning and require us to obtain approvals or permits, and we are required to fulfill certain conditions precedent in respect of some of them. We also do not currently have all requisite approvals to develop our land reserves. Any failure to obtain the necessary approvals in time or at all may result in material delays in our ongoing and planned projects, or prejudice our ability to develop our land reserves.***

Our building plans in relation to some of the planned projects have yet to be finalized and approved. Further, we may need some additional approvals to complete our ongoing projects. To successfully execute each of these projects, we are required to obtain statutory and regulatory approvals, and permits and applications need to be made at appropriate stages of the projects with various government authorities. For example, we are required to obtain the approval of building plans and layout plans, no-objection certificates for construction of high-rise projects, environmental consents and fire safety clearances. In addition, we are required to obtain a certificate of change of land use in respect of lands designated for purposes other than real estate development. Further, we may be required to renew certain of our existing approvals. We cannot assure you that the relevant authorities will issue any such approvals or renewals in the anticipated time frames or at all. Any delay or failure to obtain the required approvals or renewals in accordance with our plans may adversely affect our ability to implement our ongoing and planned projects, or to exploit the development potential of such land parcels to the fullest and adversely affect our business and prospects. Further, there is a large part of our land reserves for which we do not yet have the requisite approvals to commence development. This part is not included in our ongoing or planned projects, although we envisage developing such land reserves in the longer term. When we set out to actually develop such land reserves, we will need to seek approvals and permissions from granting authorities at the relevant time, which may not be obtained in time or at all. Any failure to obtain requisite approvals and permissions in time or at all, may result in our failure to develop our land reserves in accordance with our future long-term plans and exploit the estimated development potential on such land parcels, which may prejudice our growth strategy and could have an adverse effect on our business and prospects. In addition, certain land parcels partly fall under eco-sensitive zones, green zones and forest zones, for which we are required to obtain special permission to develop the said property, apart from the non-agriculture land order. We cannot assure you that such permissions will be obtained in a timely manner or at all.

- 21. *We have not obtained independent title reports or search reports for a large part of the land comprising our land reserves, and we do not have and may not obtain title insurance guaranteeing title or land development rights.***

The title to the lands in India is often fragmented and the land may, in many cases, have multiple owners. This also makes the acquisition and development process more complicated and may expose us to legal disputes and adversely affect our land valuations. Typically, we conduct diligence and assessment exercises internally prior to acquiring land, entering into development agreements with landowners and assessing the financial viability of the projects on the basis of the documents made available. We may thereafter engage local counsel to issue title reports. With regard to certain land parcels, it is often difficult for legal counsels to satisfy themselves of certain technical requirements while assessing the title. For much of our land purchased outside the city of Mumbai, while we may have undertaken diligence and investigation internally without assistance of external lawyers, we may not have invited claims by issuing public notices, undertaken searches (including land registry search, search on the official database maintained by the Ministry of Corporate Affairs and negative searches in the concerned courts) or raised requisition in relation to title of the land, in terms of the documents so executed and registered



we have rights/title to such pieces and parcels of lands. Our failure to obtain legal opinions and search reports in respect of our land reserves may result in our inability to obtain financing or sell our units constructed on such land reserves in the future in a timely manner, which may adversely affect our business and results of operations.

Further, title guarantee insurance is not available in India at a commercially viable cost to guarantee title or development rights in respect of land. As a result, we may not obtain title guarantee insurance or obtain inadequate coverage for the title guarantee insurance. This, coupled with difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. Consequently, we may be required to sell the property or lose our title to the property, which could adversely affect our business, results of operations and financial condition.

**22. *Increase in competition in the Indian real estate market may adversely affect our profitability.***

Our business faces competition from both national and local property developers with respect to factors such as location, facilities and supporting infrastructure, services and pricing. Intensified competition between property developers may result in increased land prices, oversupply of properties, lower real estate prices, lower sales at our properties, all of which may adversely affect our business. Moreover, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition will not have an adverse effect on our profitability.

**23. *Our business is subject to the RERA, a comparatively recent legislation which may require more time and cost to comply with. Inability to comply with the provisions of RERA may subject us to penal consequences there under.***

The Government notified the RERA in the official gazette on March 25, 2016. The RERA has been introduced to regulate the real estate industry and to ensure, among others, imposition of certain responsibilities on real estate developers and accountability toward customers and protection of their interest. We are required to be compliant with the provisions of the RERA. RERA has inter-alia prescribed, registration of construction projects, conditions to monitor the funds allocated towards each project and placed restrictions on the usage of the same, submission of specific details of the projects for public access, disclosure of timeline for construction, completion and delivery of project and regulation of the advertising of the projects. Any failure to comply with the requirements of RERA in the future may subject us to penalties and/or imprisonment. In addition, we will have to comply with state-specific rules and regulations which may be enacted and / or amended by the state government where our upcoming projects are or our future projects may be located. To ensure compliance with the requirements of the RERA, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. Further, we may face challenges in interpreting and complying with the provisions of the RERA due to limited jurisprudence on them. In the event our interpretation of provisions of the RERA differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Any non-compliance of the provisions of RERA or such state-specific legislations may result in punishments (including fines or imprisonment) and revocation of registration of our future projects, which may have an adverse effect on our business, operations and financial condition.

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

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things such as entering into borrowing arrangements with other banks and other parties, undertake any further capex, change in shareholding pattern and management control, diversify into non-core areas, making investment in or giving loans to other parties, 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 certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the loan and other banking facilities, please see '*Statement of Financial Indebtedness*' on page 195 of the Draft Prospectus.

**25. *Our business is subject to various operating risks at our construction sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipment's used at the project sites, weather conditions, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could result in stoppage of work along with penalty in monetary terms. Any stoppage of work may result in a delay in completing our projects leading to failure to deliver the real estate to the customers within the time frame. Further, any of the aforesaid risks may also result in our contractors compromising on the quality standards in order to finish the work within the given timelines, which may in turn affect our reputation and ability to attract new customers. If any of the above were to occur, it would significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

**26. *Our business is capital intensive and is significantly dependent on the availability of real estate financing in India. Difficult conditions in the global capital markets and the global economy generally may adversely affect our business and results of operations and may cause us to experience limited availability of funds. We cannot assure you that we will be able to raise sufficient financing on acceptable terms, or at all.***

Our business is capital intensive, requiring substantial capital to develop and market our ongoing and planned projects. The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, changes in business plans due to prevailing economic conditions, unanticipated expenses, regulatory changes, and engineering design changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing, if available, could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements. In addition, the Indian regulations on foreign investment in housing, built-up infrastructure and construction and development projects impose significant restrictions on us, including the types of financing activities we may engage in.

Our ability to obtain additional financing on favourable commercial terms, if at all, will depend on a number of factors, including:

- our results of operations and cash flows;
- the amount and terms of our existing indebtedness;
- general market conditions in the markets where we operate; and
- general condition of the debt and equity markets in India.

In addition, changes in the global and Indian credit and financial markets may affect the availability of credit to our customers and decrease in demand for our development. Our inability to obtain funding on reasonable terms, or at all, could affect our ability to develop our ongoing and planned projects and would have an adverse effect on our business and results of operations.

**27. *Our operations and our workforce are exposed to various hazards and risks that could result in material liabilities, increased expenses and diminished revenues.***

We conduct internal assessment pertaining to a particular area of land, prior to the acquisition of the same and attempt to assess its construction and development potential to the best possible ability. However, there are certain unanticipated or unforeseen risks that may arise in the course of property development due to adverse weather and geological conditions such as storms, hurricanes, lightning, floods, landslides and earthquakes. These weather conditions may expose our contracted workforce to various illnesses, de-hydration and other health hazards. Any

stoppage of work on account of health hazards of our workforce may force us to reschedule our timelines resulting in cost over-runs.

**28. *If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.***

Our business could suffer damage from fire, natural calamities, misappropriation / burglary or other causes, resulting in losses, which may not be compensated by insurance as we have not taken any insurance. There can be no assurance that the terms of our insurance policies which we will take in future will be adequate to cover any damage or loss suffered by us or that such 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. Further, we will have to renew the insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, we may face significant uninsured losses. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

**29. *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.***

Our industry being labour intensive is 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. Though 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 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.

**30. *Our company is still in the process of compiling information with respect to Total Outstanding Due to MSME Creditors.***

As on the date of filing of this Draft Prospectus, our Company is still in the process of compiling information with respect to Total Outstanding Due to MSME Creditors. Further, details pertaining to amounts due towards our creditors are not available on the website of our Company. Our inability to accurately forecast the total number of MSME Creditors and total amount due to them could adversely affect our business operations and cash flows and also affect our ability to continue to manage and expand our business.

**31. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our clients. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

We are engaged in the field of construction involving design, residential and commercial projects. Our success depends on the smooth supply and transportation of the raw materials required for commercial projects process from the manufacturers to our sites which are subject to various uncertainties and risks. In addition, raw materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of raw materials in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

- 32. *Our Group Companies and Promoter Group Entities are engaged in the line of business similar to our Company. There are no non - compete agreements between Our Company and such entities. We cannot assure that our Promoters will not favour the interests of such Companies over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.***

Our Group Companies namely, Techbuilt Infrastructure and Developers Private Limited, Tech Art Infrastructure Private Limited, Thorve Patil and Abrol Constructions Private Limited, Dr. Nitin V. Thorve Patil Infras And Properties Private Limited and our Promoter Group Entities namely, Techbuilt Infrastructure and Developers Private Limited, Tech Art Infrastructure Private Limited, Thorve Patil and Abrol Constructions Private Limited, Dr. Nitin V. Thorve Patil Infras and Properties Private Limited, Virar Townships Private Limited, Thorve Patil Realtors Private Limited, Arnala Beach Resort (Partnership Firm) and Dr. Nitin Thorave (Proprietorship Firm) are engaged in the similar line of business of real estate development, as of our Company. Further, we have not entered into any non-compete agreement with any of said entities. We cannot assure that our Promoters who have common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies/Promoter Group Entities in circumstances where our respective interests' conflict. In cases of conflict, our Promoters may favour their companies in which our Promoters have interest. There can be no assurance that our Promoters or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to "Our Group Companies / Entities" on page 156 of this Draft Prospectus.

- 33. *The shortage or non-availability of power facilities may adversely affect our business and have an adverse impact on our results of operations and financial condition.***

Our business processes require substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any defaults or non-compliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Further since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power.

Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

- 34. *We face competition in our business from organized, which may adversely affect our business operation and financial condition.***

The market in which our company is doing business is highly competitive on account of organized players. Players in this industry generally compete with each other on key attributes such as technical competence, experience, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

- 35. *Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory for work purpose and stocks of finished products. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of

products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the demand and requirements and also on the customer specifications. In addition, disruptions to the delivery of products to our warehouse or customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

**36. *Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.***

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant number of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

**37. *The hotel industry is cyclical and sensitive to changes in the economy and this could have a significant impact on our operations and financial results.***

The hotel business is cyclical and sensitive to changes in the economy in general. The hotel sector may be unfavourably affected by such factors as changes in the global and domestic economies, changes in local market conditions, excess hotel supply or reduced demand for hotel rooms and associated services, competition in the industry, changes in interest rates, the availability of finance and other natural and social factors. Since demand for hotels is affected by economic growth in India as well as globally, a global or domestic recession could lead to a downturn in the hotel industry. Such adverse developments in the hotel industry in India or in the cities where our hotels are located would have a negative impact on our profitability and financial condition.

**38. *Reduction or less than anticipated stay by guests or members at our properties may result in a loss of revenue generation opportunities and adversely impact our revenues.***

In the event of reduction or less than anticipated stay by our guests or members at our properties at any given time, may lead to a large number of unused rooms and other facilities. This could also lead to a loss of revenue generation opportunities.

**39. *The industry is affected by consumer preferences and perceptions. Changes in these preferences and perceptions may affect the demand for our properties and adversely affect our operations.***

Hospitality industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends. Market perception of our properties and services may change which could impact our continued business success and future profitability. If we are unable to adapt our services successfully, meet changes in consumer demands and trends, our business and financial condition may be adversely affected. We are engaged in the hospitality industry and are driven by the quality of service we provide and by meeting the expectations of our clients. We strive to keep up with the evolving client requirements to enhance our existing business and level of customer service. Owing to increase in competition, and in the event that we are unable to identify and understand contemporary and evolving customer tastes or to deliver quality service as compared to our competitors, it could adversely affect our business.

**40. *We are subject to operating risks common in our operation.***

Our financial results are affected by occupancy and room rate achieved by our resort, our ability to control cost of developing and running additional rooms, the success of our food and beverage operations. Further our operating margins would be adversely affected by increase in electricity, insurance and environmental compliance

expenses. Our resort would have to be renovated periodically to keep up with the changing trends and such renovation may involve significant development and maintenance costs. Our inability to manage the above operating risk would have a negative impact on our profitability and financial position.

**41. *Our business is seasonal in nature.***

Our revenues and cash flows are affected by seasonality. Our resort is located at Pune and so we are subject to low revenue during varying seasons in this location. In particular, the first and second quarters of our financial year include India's summer and monsoon seasons and international travellers to, and domestic travellers in, India are substantially fewer than in the other quarters of the year. To the extent this seasonality is not mitigated by a steady volume of business travel, our quarterly results of operations could fluctuate significantly.

**42. *Our Company's failure to maintain the quality standards of the services could adversely impact our business, results of operations and financial condition.***

Our services depend on customer's expectations and choice or demand of the customer and trends in the industry. Any failure to maintain the quality standards of our services may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our services will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or services, including those arising from any deterioration in quality of our services from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**43. *Our Promoters have given guarantees in relation to certain debt facilities provided to us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the credit facilities.***

Our Promoters have given personal guarantee and collateral security in respect of the loan availed by us. In the event that any of these guarantees/collaterals are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We have not received NOC for alteration of Capital structure till date, however have made application to them. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could significantly affect our financial condition and cash flows.

**44. *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 cause 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.

**45. *We have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our fund requirements for the objects of the issue. We meet our fund requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our fund requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may affect our growth plans. For further details please refer to the chapter titled "*Objects of the Issue*" beginning on page 75 of the Draft Prospectus.

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

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

- 47. *Our Company had negative cash flow during certain fiscal years; details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

Particulars	As at June 30, 2022	(Rs. in Lakhs) As on March 31,		
		2022	2021	2020
Net cash from (used in) Investing activities	(0.92)	(9.20)	(21.33)	(23.81)
Net cash from (used in) Financing activities	(13.73)	(95.87)	(4.43)	(70.30)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled “**Financial Statements**” and chapter titled “**Management's Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on page no. 163 and page no. 189 respectively, of this Draft Prospectus.

- 48. *We have entered into certain related party transactions and may continue to do so.***

We have entered into related party transactions with our Promoters, its group members/ entities, Directors and other associates. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near future. For further details regarding the related party transactions, see the disclosure on related party transactions contained in the financial statements included in this Draft Prospectus and, also see the section “**Related Party Transactions**” on page 161 of this Draft Prospectus.

- 49. *Our Promoter has provided personal guarantees for loans availed by our Company.***

Our Company has availed loans in the ordinary course of business for meeting working capital requirements. Our Promoter has given personal guarantees in relation to certain loans obtained by our Company. For details on the financial Indebtedness of the Our Company, please refer to page no. 195 of this Draft Prospectus. In the event of default on the loans, the guarantees may be invoked by our lenders thereby adversely affecting our Promoters’ ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are revoked by our Promoter, our lenders may require alternate guarantees, repayment of amounts outstanding under the loans, or they may even terminate such facilities, which could adversely affect our financial condition and results of operations.

- 50. *We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse affect on our operations, profitability and growth prospects.***

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse affect on our operations, profitability and growth prospects.

**51. *Delays or defaults in client payments could result in reduction of profits.***

The Company regularly commits resources to slew of projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as it has incurred. It may be subject to working capital shortages due to delays or defaults in client payments. If client's default in their payments on a project to which the Company has devoted significant resources or if a project in which it has invested significant resources is delayed, cancelled or does not proceed to completion, it could have an adverse effect on the Company's business, financial condition and results of operations.

**52. *Our Company doesn't own the premises where its registered office is situated and leave & license agreement have been executed for the same. Any termination or dispute in relation to these lease/ rental agreement may have an adverse effect on our business operations and results thereof.***

Our Registered Office is situated at Swapnshilp Bunglow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar- 401303, Maharashtra, India is on leased/ rented premises which we have been taken on 5 years lease from our Promoter Dr. Nitin Vithalrao Thorave. Any non-compliance by us in relation to any term of lease may result in the termination of the leave & license agreement and consequently we have to vacate the said premises. We also cannot assure you that lessor will not terminate the leave & license agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations.

**53. *If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

**54. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**55. *Our Company may require additional capital resources to achieve our expansion plans.***

The rate of our expansion will depend to an extent on the availability of adequate debt and equity capital. Further, the actual expenditure incurred may be higher than current estimates owing to but not limited to, implementation delays or cost overruns. We may, therefore, primarily try to meet such cost overruns through our internal generations and in case if the same is not adequate, we may have to raise additional funds by way of additional term debt from banks/ financial institutions and unsecured loans, which may have an adverse effect on our business and results of operations.

**56. *Our inability to build and maintain our reputation will adversely affect our business, prospects, financial condition and results of operation.***

Reputation is important to the success of our business. Establishing and maintaining our reputation for people relying on our services to look for desired results is critical to the success of the customer acquisition process of our business. No assurance can be given that our reputation will be effective in attracting and growing customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.



- 57. *We may suffer an uninsured loss we do not maintain any insurance coverage and as a result we may incur substantial liabilities which will further have an adverse affect on our business, financial condition and results of operations.***

Our operations are subject to inherent risks such as adverse weather conditions, environmental mishaps, fire, mechanical failure, collisions, human error, war, terrorism, piracy, political action in various states, countries and other circumstances or events. Any such event may result in loss of life or property, loss of revenues or increased costs and could result in significant litigation against us. As on date of filing this Draft Prospectus, our Company has taken Insurance cover. Hence, we may be able to protect ourselves from any damage or loss suffered by us to the extent of the amount insures. Our insurance policies may not be sufficient to cover the entire economic loss that we may have to suffer due to an unfortunate incident. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and as a result, our results of operations and financial condition could be adversely affected.

- 58. *We are dependent on a number of Key Management Personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent upon the collective services of all the members of our Company's senior management team, including, among others, our Promoters, who oversee our day-to-day operations, strategy and growth of our business, managers and onboard officers. The loss of or inability to attract or retain, the services of any of these persons or several of these persons could have an adverse effect on our business. In particular, the expertise, experience and services of our Promoter and other members of our senior management team, including our Key Management Personnel helps us to execute our growth strategy and have been integral to our business. For further details, see "***Our Management***" on page no. 135 of this Draft Prospectus. If one or more of these Key Management Personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may take a long time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. We do not maintain a key man insurance policy to cover us for the loss we would incur if we are unable to retain any of our Key Management Personnel. Moreover, we may be required to substantially increase the number of our senior management team in connection with any future growth plans, and we may face difficulties in doing so due to the competition and paucity in the industry for such personnel. Our failure to hire or retain qualified personnel could materially impair our ability to implement any plan for growth and expansion.

- 59. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed expansion, as detailed in the section titled "***Objects of the Issue***" on page 75 is to be mainly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun, or cost overrun may adversely affect our growth plans and profitability.

- 60. *The Company has not appointed any independent agency for the appraisal of the proposed Project.***

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our internal estimates and which may exceed which may require us to reschedule our Project.

- 61. *Our Board of Directors and management may change our operating policies and strategies without prior notice or shareholder approval.***

Our Board of Directors and management has the authority to modify certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder approval. We cannot predict the effect that any changes to our current operating policies or strategies would have on our business, operating results and the price of our Equity Shares.

**62. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our directors and key managerial personnel are interested in our Company to the extent of their shareholding in our Company.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on page nos. 64 and 135, respectively, of this Draft Prospectus.

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

As per SEBI (ICDR) Regulations, 2018, as amended from time to time, appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakhs. Since this Issue Size is less than Rs. 10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds.

Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**64. *The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings.***

We propose to utilize the Net Proceeds for purposes identified in the section titled “*Objects of the Issue*” beginning on page no. 75 of this Draft Prospectus. Our funding requirements and the deployment of the proceeds of the Issue are purely based on our management’s estimates and have not been appraised by any bank or financial institution. Our Company may have to revise such estimates from time to time on account of various factors such as our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment and other external factors including changes in the price of the equipment due to variation in commodity prices which may not be within the control of our management. Our estimates may exceed the value and may require us to reschedule our expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the Objects of the Issue is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the SEBI ICDR and Companies Act. However, the Board and Audit Committee will monitor the utilisation of the Net Proceeds and ensure the same is disclosed under separate head in our balance sheet along with relevant details for all sum amounts that have not been utilized. Our Company will issue a disclosure to the Stock Exchanges, on a quarterly basis, deviations, if any, in the Use of Proceeds of the Issue from the Objects stated in the Prospectus or by way of an explanatory statement to the notice for a general meeting.

**65. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation 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 Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI

(ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

## **RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS**

- 66. *Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the proposed Initial Public Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group members will always act in the best interests of the Company.***

After the completion of our Initial Public Issue, our Promoters, along with our Promoter Group members, will hold, approximately 67.25% of our post issue paid up equity capital of our Company. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholder. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. We cannot assure you that our Promoters and Promoter Group members will always act in our Company's or your best interests. For further details, please refer to the chapters titled "*Capital Structure*" and "*Our Promoters and Promoter Group*" and "*Our Group Companies/Entities*", beginning on page no. 64, 149 and 156 respectively, of this Draft Prospectus.

- 67. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

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

- 69. *We cannot assure you that we will pay dividend in future.***

We have not paid any dividends on our Equity Shares since inception and there can be no assurance that dividends will be paid in future. The declaration of dividends in the future will be recommended by our Board, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the future. Further, we may be restricted by the terms of our debt financing from making dividend payments, in the event we default in any of the debt repayment installments.

- 70. *Investors may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid

on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. It is pertinent to note that pursuant to the Finance Bill, 2017, it has been proposed, that with effect from April 1, 2017, this exemption would only be available if the original acquisition of equity shares was chargeable to STT. The Central Government is expected to, however notify the transactions which would be exempt from the application of this new amendment. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to applicable short-term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident, subject to the availability of certain documents. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. For more details, please refer to **"Statement of Tax Benefits"** on page no. 82 of this Draft Prospectus.

**71. *We cannot assure you that our Equity Shares will be listed on the SME Platform of BSE in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, we are not required to obtain any in-principle approval from SEBI for listing of our Equity Shares. We have only applied to BSE to use its name as the Stock Exchange in this Offer Document for listing our Equity Shares on the SME Platform of BSE. Permission for listing of the Equity Shares will be granted only after the Equity Shares offered in this Issue have been allotted. Approval from BSE will require all relevant documents authorizing the issuing of the Equity Shares to be submitted to it. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Further, certain procedural and regulatory requirements of SEBI and the Stock Exchanges are required to be completed before the Equity Shares are listed and trading commences. Trading in the Equity Shares is expected to commence within 6 Working Days from the Issue Closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

**72. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. [●] is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled **"General Information – Details of the Market Making Arrangement for this Issue"** on page no. 54 of this Draft Prospectus.

**73. *There may be restrictions on daily/monthly movements in the price of our Equity Shares, which can adversely affect shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point of time.***

Subsequent to listing, our Company may be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions having crossed certain volatility limit in the price of its Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is

set by the stock exchanges based on certain factors such as the historical volatility in the price and trading volume of the Equity Shares. The stock exchange is not required to inform us of the percentage limit of the circuit breaker from time to time and may change it without our knowledge. This circuit breaker, if imposed, would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure that the shareholders will be able to sell the Equity Shares at desired prices at any particular time.

## **EXTERNAL RISK FACTORS**

### ***74. Any changes in the regulatory framework could adversely affect our operations and growth prospects.***

The company is subject to various regulations and policies. For details see section titled “**Key Industry Regulations and Policies**” beginning on page no. 117 of this Draft Prospectus. Our Company’s current businesses and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that it will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which could have a material adverse effect on the business, financial condition and results of operations.

### ***75. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.***

The revenues recorded, and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned, and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

### ***76. The nationalized Goods and Services Tax (GST) regimes proposed by the Government of India may have material impact on our operations.***

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

### ***77. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors’ assessments of our Company’s financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see “**Presentation of Financial, Industry and Market Data**” on page no. 18 of this Draft Prospectus. 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 practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial

statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

***78. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

***79. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***80. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time-to-time restricted securities from trading, limited price movements and restricted margin

requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

**81. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

**82. *Natural calamities and force majeure events may have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. These natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Further prolonged spells of deficient or abnormal rainfall or other natural calamities in the future could have a negative impact on the Indian economy, adversely affecting our business and the price of the Equity Shares.

**83. *Terrorist attacks, civil unrests and other acts of violence in India and around the region could adversely affect the markets, resulting in loss of consumer confidence and adversely affect the business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect the business, results of operations, financial condition and cash flows. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on the business and price of the Equity Shares.

**84. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond the company's control such as earthquake, fire, floods and similar natural calamities may cause interruptions in the business operations. The operations and financial results and the market price and liquidity of the equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**85. *In future the company may depend on banks and financial institutions and other sources for meeting its short- and medium-term financial requirements.***

Any delay in the disbursement of funds from these bodies can act as a bottleneck to the project execution capabilities and thereby its results of operations. The company cannot assure that it will be able to do so on commercially reasonable terms. Any increase in interest expense may have a material adverse effect on its business prospects, financial condition and results of operations.

**86. *Increases in interest rates may affect the results of operations.***

Currently, the company has secured and unsecured loans. However, it cannot be assured that it will not incur indebtedness with a floating rate of interest in the future. As such, increases in interest rates may adversely affect the cost of future borrowings.

The company has not entered into any interest rate hedging or swaps transactions. It cannot be assured to the prospective investor that the company, if it does not enter into any interest rate hedging or swap transactions, will be able to do so on commercially reasonable terms, or that any of such agreements will protect the company fully against interest rate risk. Any increase in interest expense may have an adverse impact on its business, prospects, financial condition and results of operations.

**87. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and trading industry contained in the Prospectus.***

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the Trading and Distribution industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled '**Industry Overview**' beginning on page no. 85 of this Draft Prospectus. Due to possibly flawed or ineffective data or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and we have placed our reliance on the report as published by the respective agencies/ authorities. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.



## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Draft Prospectus:

Particulars	No. of Equity Shares
Equity Shares offered	32,00,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 125/- per Equity Share aggregating Rs. 40,00,00,000/-
<b><i>Of Which:</i></b>	
Reserved for Market Makers	1,60,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 125/- per Equity Share aggregating Rs. 2, 00,00,000/-.
Net Issue to the Public*	30,40,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 125/- per Equity Share aggregating Rs. 38,00,00,000/-
<b><i>Of which:</i></b>	
Retail Investors Portion	15,20,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 125/- per Equity Share aggregating Rs. 19,00,00,000/-
Non-Retail Investors Portion	15,20,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 125/- per Equity Share aggregating Rs. 19,00,00,000/-
<b><i>Pre and Post Issue Share Capital of our Company:</i></b>	
Equity Shares outstanding prior to the Issue	65,71,544 Equity Shares
Equity Shares outstanding after the Issue	97,71,544 Equity Shares
Use of Issue Proceeds	For details please refer chapter titled ‘ <b><i>Objects of the Issue</i></b> ’ beginning on page no. 75 of this Draft Prospectus.

The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on August 30, 2022 and was approved by the Shareholders of the Company by passing a Special Resolution at the Annual General Meeting held with a shorter notice on September 30, 2022 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

\* As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the Allocation’ is the net issue to the public category shall be made as follows:

- a. Minimum fifty percent (50%) To Retail Individual Investors; and
- b. Remaining to:
  - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*Explanation: If the retail individual investor category is entitled to more than fifty per cent of the issue size on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

For further details please refer to chapters titled “***Terms of the Issue***”, “***Other Regulatory and Statutory Disclosures***” and “***Issue Structure***” beginning on page no. 227, 212 and 232, respectively of this Draft Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth summary financial information is derived from Restated Audited Financial Statements for the financial year ended on March 31, 2022, 2021 and 2020 and as at June 30, 2022. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2018.*

*The summary financial information presented below should be read in conjunction with the chapters titled 'Restated Financial Statement' and 'Management's Discussion and Analysis of Financial Conditions And Results Of Operations' beginning on page no. 163 and 189, respectively of this Draft Prospectus.*

### STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	Annexure nos.	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	657.15	567.35	1.38	1.38
Share Application Money					
Reserve & Surplus	5	437.95	-850.42	-1005.44	-815.20
<b>Total (A)</b>		<b>1095.09</b>	<b>-283.06</b>	<b>-1004.06</b>	<b>-813.82</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings	6	602.86	1726.31	2319.07	2250.46
Deferred Tax Liabilities (Net)					
Long Term Provisions	7				
<b>Total (B)</b>		<b>602.86</b>	<b>1726.31</b>	<b>2319.07</b>	<b>2250.46</b>
<b>Current Liabilities</b>					
Short Term Borrowings	8	50.78	45.74	41.21	37.12
Trade Payables	9	18.26	18.86	11.77	10.83
Other Current Liabilities	10	45.73	45.43	45.00	14.00
Short Term Provisions	11	0.75	8.50	0.00	0.00
<b>Total (C)</b>		<b>115.52</b>	<b>118.525</b>	<b>97.98</b>	<b>61.95</b>
<b>Total (D=A+B+C) - TOTAL LIABILITIES</b>		<b>1813.48</b>	<b>1561.77</b>	<b>1412.99</b>	<b>1498.59</b>
<b>Fixed Assets</b>					
Tangible Asset	12	811.28	831.90	919.45	1,003.90
Intangible Asset	12	5.16	5.16	5.16	5.16
Non-Current Investments	13	1.23	1.23	1.23	1.23
Long Term Loans & Advances	14	222.97	89.62	99.61	98.11
Other Non-Current Assets					
Deferred Tax Assets	15	-6.33	-6.33	-6.33	-6.33
<b>Total (E)</b>		<b>1034.31</b>	<b>921.58</b>	<b>1019.12</b>	<b>1102.07</b>
<b>Current Assets</b>					
Current Investments	16	15.00	0.00	0.00	0.00
Inventories	17	8.80	2.57	0.00	0.00
Trade Receivables	18	13.34	13.34	12.34	12.96
Cash & Bank Balances	19	371.95	254.2	11.45	17.48

Short Term Loans & Advances	20	370.00	370.00	370.00	366.00
Other Current Assets	21	0.08	0.08	0.08	0.08
<b>Total (F)</b>		<b>779.17</b>	<b>640.19</b>	<b>393.87</b>	<b>396.52</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>		<b>1813.48</b>	<b>1561.77</b>	<b>1412.99</b>	<b>1498.59</b>

**Note:** The above statement should be read with the, Significant Accounting Policies and Notes to Accounts appearing in Annexure 04.

#### STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs. in Lakhs)

Particulars	Annexure nos.	30th June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Revenue</b>					
<b>I. Revenue from Operation</b>	22				
Sale of Products		420.91	521.76	137.14	213.66
II. Other Income	23	15.93	0.00	0.08	0.63
<b>Total Revenue (I+II)</b>		<b>436.84</b>	<b>521.76</b>	<b>137.22</b>	<b>214.29</b>
<b>Expenses</b>					
Purchase of materials	24	93.17	112.54	93.44	60.67
Other Direct Costs					
Changes in Inventories	24	-6.23	-2.57	0.00	0.00
Employee Benefit Expenses	25	33.446	21.195	3.85	19.22
Finance Cost	26	17.84	73.59	77.12	94.76
Depreciation and Amortization Expenses	27	21.55	96.75	105.78	111.85
Other Expenses	27	21.40	65.23	47.27	33.55
<b>Total Expenses</b>		<b>181.17</b>	<b>366.73</b>	<b>327.46</b>	<b>320.05</b>
<b>Profit before extraordinary items and tax</b>		<b>255.66</b>	<b>155.02</b>	<b>-190.24</b>	<b>-105.76</b>
<b>Prior period items (Net)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit before Tax – Operating Income</b>		<b>255.66</b>	<b>155.02</b>	<b>-190.24</b>	<b>-105.76</b>
<b>Provision for Taxes</b>					
1. Current taxes		0	0	0	0
2. Tax adjustment of earlier years		0	0	0	0
3. MAT Credit Entitlements		0	0	0	0
4. Deferred tax (Assets)\ Liabilities		0	0	0	0
<b>Profit after tax and before extraordinary items</b>		<b>255.66</b>	<b>155.02</b>	<b>-190.24</b>	<b>-105.76</b>
Extraordinary items		0	0	0	0

<b>Net Profit after extraordinary items available for appropriation</b>		<b>255.66</b>	<b>155.02</b>	<b>-190.24</b>	<b>-105.76</b>
Proposed Dividend		0	0	0	0
Dividend distribution tax		0	0	0	0
<b>Net profit carried to Balance sheet</b>		<b>255.66</b>	<b>155.02</b>	<b>-190.24</b>	<b>-105.76</b>

**Note:** The above statement should be read with the, Significant Accounting Policies and Notes to Accounts appearing in Annexure 04.

#### STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lakhs)

Particulars	30th June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>A. Cash Flows from Operating Activities</b>				
Net Profit before Tax	255.664	155.025	-190.23	-105.76
<b>Adjustments for:</b>				0
Depreciation	21.54	96.75	105.78	111.85
Share Issue Expenses	0.00	0.00	0.00	0.00
Interest & Finance charges	17.84	73.6	77.12	94.75
Interest Income	0.00	0.00	0.00	0.00
Provision For Gratuity	0.00	0.00	0.00	0.00
Sundry Balances Written Off (Net)	0.00	0.00	0.00	0.00
Unrealized Loss on Investment	0.00	0.00	0.00	0.00
Loss on sale of Assets	0.00	0.00	0.00	0.00
<b>Operating Cash Generated Before Working Capital Changes</b>	<b>295.044</b>	<b>325.375</b>	<b>-7.33</b>	<b>100.84</b>
Decrease (Increase) in Current Investments	-15.00	0.00	0.00	0.00
(Increase) / Decrease in Inventory	-6.24	-2.57	0.00	0.00
(Increase)/ Decrease in Receivables	0.00	-1.00	0.62	13.23
(Increase) / Decrease in Loans and Advances	0.00	0.00	0.00	0.00
(Increase)/Decrease in Other current assets	-133.35	10.00	-1.50	-7.10
Increase/(Decrease) in short term borrowing	0.00	0.00	-4.00	0.00
Increase/(Decrease) in Trade Payable	-0.60	7.09	0.95	-0.12
Increase/(Decrease) in Other Liabilities	0.31	0.42	31.00	0.00
Increase / (Decrease) in Short Term Provisions	-7.75	8.50	0.00	0.00
Increase / (Decrease) in Long Term Provisions	0.00	0.00	0.00	0.00
<b>Cash generated from operations</b>	<b>132.41</b>	<b>347.82</b>	<b>19.74</b>	<b>106.85</b>
Less: Direct taxes (paid) / refund	0.00	0.00	0.00	0.00
Less: Appropriation of Profit	0.00	0.00	0.00	0.00
<b>Net cash from before Extra-ordinary items</b>	<b>132.414</b>	<b>347.815</b>	<b>19.74</b>	<b>106.85</b>
Extra-ordinary items	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>132.414</b>	<b>347.815</b>	<b>19.74</b>	<b>106.85</b>
<b>B. Cash Flows from Investing Activities</b>				
Sale / (Purchase) of Fixed Assets (Net)	-0.92	-9.20	-21.33	-23.81
Sale / (Purchase) of Investments (Net)	0.00	0.00	0.00	0.00
Interest Received	0.00	0.00	0.00	0.00
Long term Loans & Advances	0.00	0.00	0.00	0.00
Sale of Investment	0.00	0.00	0.00	0.00
<b>Net Cash Generated from Investing Activities (B)</b>	<b>-0.92</b>	<b>-9.20</b>	<b>-21.33</b>	<b>-23.81</b>

Particulars	30th June,	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
<b>C. Cash Flow from Financing Activities</b>				
Net Increase/(Decrease) in Short Term Borrowings	0.00	0.00	0.00	0.00
Share Application Money Received	89.80	565.97	0.00	0.00
Proceeds / (Repayment) of Long-Term Borrowings	-12.62	-15.26	2.95	-42.11
Increase/(Decrease) in Unsecured Loans	-1105.77	-572.98	69.74	66.56
Proceeds From issue of Share Capital				
Increase/(Decrease) in Share Premium	1032.70	0.00	0.00	0.00
Decrease (Increase) in Long Term Loans & Advances	0.00	0.00	0.00	0.00
Interest Expenses	-17.84	-73.6	-77.12	-94.75
Dividend Paid (including Dividend Tax)				
<b>Net Cash from Financing Activities [C]</b>	<b>-13.73</b>	<b>-95.87</b>	<b>-4.43</b>	<b>-70.3</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>117.76</b>	<b>242.745</b>	<b>-6.02</b>	<b>12.74</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>254.20</b>	<b>11.45</b>	<b>17.47</b>	<b>4.73</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>371.96</b>	<b>254.20</b>	<b>11.45</b>	<b>17.47</b>

**Note:** The above statement should be read with the, Significant Accounting Policies and Notes to Accounts appearing in Annexure 04.

## SECTION V- GENERAL INFORMATION

Our Company was originally incorporated as San Trica Realtors Private Limited on April 09, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “San Trica Realtors Private Limited” to “San Trica Realtors Limited” by passing special resolution at the Extra Ordinary General Meeting held on December 24, 2021 and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Mumbai, Maharashtra, on January 19, 2022. For details pertaining to the changes of name of our company and change in the registered office, For details of the changes in our name and registered office, please refer to the chapter titled ‘*History and Certain Corporate Matters*’ beginning on page no. 131 of this Draft Prospectus.

### Registered Office of our Company

**CIN** : U45400MH2007PLC169803  
**Registration No.** : 169803  
**Address** : Swapnashilp Bunglow, Behind Aarti Apartment, Vartak Road, Virar (West) - 401303, Palghar, Maharashtra, India.  
**Tel No.** : +91 7770011015  
**Email Id** : [cs@santrica.com](mailto:cs@santrica.com); [ipo.comm@santrica.com](mailto:ipo.comm@santrica.com)  
**Website** : [www.santrica.com](http://www.santrica.com)  
**Contact Person** : Ms. Nupur Mohit Agrawal

### Address of the Registrar of Companies

**Address** : 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India  
**Tel No.** : +91 22 22812627/22020295/22846954  
**Fax No.** : +91 22 22811977  
**Email Id** : [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

## DESIGNATED STOCK EXCHANGE

Our Company proposed to list its Equity Shares on the SME Platform of BSE Limited located at Dalal Street, Mumbai – 400 001, Maharashtra, India

## ISSUE PROGRAMME

<b>Issue Opening Date</b>	[•]
<b>Issue Closing Date</b>	[•]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	[•]
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	[•]
<b>Credit of Equity Shares to demat accounts of Allottees</b>	[•]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	[•]

## OUR BOARD OF DIRECTORS

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

<b>Sr. No.</b>	<b>Name and Designation</b>	<b>Age</b>	<b>DIN</b>	<b>PAN</b>	<b>Address</b>
1.	Ms. Abhilasha Nitin Thorave	23 Yrs	09439166	BOTPT2460P	Swapnashilp Bunglow, Behind Aarti Apartment,

Sr. No.	Name and Designation	Age	DIN	PAN	Address
	Executive Director & CEO				Vartak Road, Virar (West) - 401303, Palghar, Maharashtra, India.
2.	Mr. Krupesh Deepak Thakur Executive Director	31 Yrs	07978746	AJUPT4896N	House No. 131/1, Umrade (Bhandarali), Bolinj Sopara Road, Near Umadevi Mandir, Nallasopara (West), Umrade, Palghar - 401203, Maharashtra, India.
3.	Mr. Rajaram Laxman Thorve Non-Executive Independent Director	36 Yrs	09535351	AHDPT2225J	Tak Basti, Shirol BK, Pune - 410511, Maharashtra, India.
4.	Mr. Sandeep Madhukar Joshi Non-Executive Independent Director	47 Yrs	01515729	AFEPJ6229B	B - 206, Omkar Apartment, Virar - 401303, Palghar, Maharashtra, India
5.	Mr. Tejesh Vilas Patil Non-Executive Independent Director	39 Yrs	09528338	ANMPP7182M	Post Dighashi, Ambadi Vajreshwari Road, Near Marathi School, Zidake, Thane, India

For detailed profile of our Board of Directors, refer to chapter titled '*Our Management*' on page no. 135 of this Draft Prospectus.

#### EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

**Name** : **MS. ABHILASHA NITIN THORAVE**  
**Address** : Swapnashilp Bunglow, Behind Aarti Apartment, Vartak Road, Virar (West) - 401303, Palghar, Maharashtra, India  
**Tel No.** : +91 7350161000  
**Email Id** : [ceo@santrica.com](mailto:ceo@santrica.com)  
**Website** : [www.santrica.com](http://www.santrica.com)

#### COMPANY SECRETARY & COMPLIANCE OFFICER

**Name** : **MS. NUPUR MOHIT AGRAWAL**  
**Address** : Swapnashilp Bunglow, Behind Aarti Apartment, Vartak Road, Virar (West) - 401303, Palghar, Maharashtra, India  
**Tel No.** : +91 9619835323  
**Email Id** : [cs@santrica.com](mailto:cs@santrica.com)  
**Website** : [www.santrica.com](http://www.santrica.com)

#### CHIEF FINANCIAL OFFICER

**Name** : **MR. ANUJ VIJAY KHANDERKAR**  
**Address** : Swapnashilp Bunglow, Behind Aarti Apartment, Vartak Road, Virar (West) - 401303, Palghar, Maharashtra, India.  
**Tel No.** : +91 9699075603  
**Email Id** : [cfo@santrica.com](mailto:cfo@santrica.com)  
**Website** : [www.santrica.com](http://www.santrica.com)

## LEAD MANAGER FOR THE COMPANY

**Name** : **FIRST OVERSEAS CAPITAL LIMITED**  
**Registered Office** : 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001  
**Tel No.** : +91 22 40509999  
**Email Id** : [rushabh@focl.in](mailto:rushabh@focl.in) / [satish@focl.in](mailto:satish@focl.in) / [mala@focl.in](mailto:mala@focl.in)  
**Contact Person** : Mr. Rushabh Shroff/ Mr. Satish Sheth/ Ms. Mala Soneji  
**Website** : [www.focl.in](http://www.focl.in)  
**SEBI Registration No.** : INM000003671  
**CIN** : U67120MH1998PLC114103

## REGISTRAR TO THE ISSUE

**Name** : **BIGSHARE SERVICES PRIVATE LIMITED**  
**Address** : Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road,  
Next to Ahura Centre, Andheri (East), Mumbai – 400093, Maharashtra, India  
**Tel No.** : +91 22 62638200  
**Fax No.** : +91 22 62638299  
**Email Id** : [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor GrievanceEmail Id** : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person** : Mr. Babu Rapheal C  
**Website** : [www.bigshareonline.com](http://www.bigshareonline.com)

### Note:

Investors may contact the Company and/or the Registrar to the Issue, i.e. Bigshare Services Private Limited and/ or the Lead Manager, i.e. First Overseas Capital Limited, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, or/and non-receipt of funds by electronic mode etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediaries to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name of the sole or first Applicant, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the ASBA Application Form was submitted.

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

## LEGAL ADVISOR TO THE COMPANY AND ISSUE

**Name** : **ADV. BHAKTI VINOD THAKUR**  
**Address** : 204, Cineheights Building, Near Canara bank, Bhayander East, Palghar,  
Maharashtra, India  
**Tel No.** : + 91 9820828280  
**Email Id** : [advbhaktithakur@gmail.com](mailto:advbhaktithakur@gmail.com)  
**Membership No.** : [MAH/4473/2007](#)

## PEER REVIEW/ INDEPENDENT AUDITOR OF THE COMPANY

**Name** : **R. K. CHAPAWAT & CO., CHARTERED ACCOUNTANT**  
**Address** : 122, Shripal Shopping Centre, Near Petrol Pump, Agashi Road Virar  
(W), Palghar-401303  
**Tel No.** : +91 9323791318/ 0250 2513406



**Email Id** : ravindra\_chapawat@rediffmail.com  
**Contact Person** : CA Ravindra Chapawat  
**Membership No.** : 37720  
**Firm Registration No.** : 101708w

M/s R. K. Chapawat & Co, Chartered Accountants, is subject to an ongoing peer review process by the peer review board of the ICAI and the peer review certificate has been renewed by ICAI confirming CA firm to act as the Peer Reviewer.

#### **BANKER(S) TO THE COMPANY**

**Name** : **UNION BANK OF INDIA LIMITED**  
**Address** : Padam Colony, Vishnu Prasad Building, Virar (West) Mumbai, Maharashtra – 401303  
**Tel No.** : +91 8691888047  
**Email Id** : [ubin0904902@unionbankofindia.bank](mailto:ubin0904902@unionbankofindia.bank)  
**Contact Person** : Mr. Ravindra Kumar-Branch Manager  
**Website** : [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in)  
**SEBI Registration No.** : INBI00000055

**Name** : **VASAI VIKAS SAHAKARI BANK LIMITED**  
**Address** : Head Office, CTS-54, Survey No. 1 & 2, Opp. Chimaji Appa Ground, Fort Road, Vasai West, Tal. Vasai Dist Palghar 401201  
**Tel No.** : +91 9850880018/ 8530027722/9552831400  
**Email Id** : [ceo@vasaivikasbank.co.in](mailto:ceo@vasaivikasbank.co.in)/ [creditcell@vasaivikasbank.co.in](mailto:creditcell@vasaivikasbank.co.in)  
**Contact Person** : Mr. DilipShantaram Sant – CEO  
**Website** : [www.vasaivikasbank.com](http://www.vasaivikasbank.com)

**Name** : **HDFC BANK LIMITED**  
**Address** : Fortaleza Complex, Shop no. 101, UG Floor, Victoria Building, Kalyani Nagar, Pune - 411 006, Maharashtra, India  
**Tel No.** : +91 8600055609 / 8788761106  
**Email Id** : [parmeetsingh.bhatia@hdfcbank.com](mailto:parmeetsingh.bhatia@hdfcbank.com);  
**Contact Person** : Mr. Parmeet Bhatia  
**Website** : [www.hdfcbank.com](http://www.hdfcbank.com)  
**SEBI Registration No.** : INBI00000063

#### **BANKER(S) TO THE ISSUE/ SPONSOR BANKER/ ESCROW COLLECTION BANK/REFUND BANK**

**Name** : [●]  
**Address** : [●]  
**Tel No.** : [●]  
**Fax No.** : [●]  
**Email Id** : [●]  
**Contact Person** : [●]  
**Website** : [●]  
**SEBI Registration No.** : [●]

#### **UNDERWRITER (S) TO THE ISSUE**

**Name** : [●]  
**Address** : [●]  
**Tel No.** : [●]  
**Email Id** : [●]  
**Contact Person** : [●]  
**Website** : [●]  
**SEBI Registration No.** : [●]  
**CIN** : [●]

## MARKET MARKER(S) TO THE ISSUE

Name	:[●]
Address	:[●]
Tel No.	:[●]
Fax No.	:[●]
Email Id	:[●]
Contact Person	:[●]
Website	:[●]
SEBI Registration No.	:[●]

## Changes in Auditors during the last Three Financial Years

R. K.Chapawat & Co., Chartered Accountants was appointed as Statutory Auditors of our Company for a period up to FY 2021-22 due to casual vacancies created on account of resignation submitted by Ashutosh D Vidwans & Co., Chartered Accountants, on March 21, 2022 to comply with the requirement of peer review auditor in SME IPO.

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

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link. The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

## Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE i.e. [www.BSEindia.com](http://www.BSEindia.com), as updated from time to time.

## Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

## Collecting Depository Participants

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange [www.BSEindia.com](http://www.BSEindia.com) as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI [www.sebi.gov.in](http://www.sebi.gov.in) and updated from time to time.

## Credit Rating

This being an Issue of Equity Shares, there is no requirement of credit rating.

## Debenture Trustees

This is being an Issue of Equity Shares; the appointment of Debenture trustee is not mandatory.

## **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.

## **Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities for the Issue**

Since, First Overseas Capital Limited is the sole Lead Manager to the Issue, a statement of inter se allocation of responsibilities amongst Lead Managers 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 below Rs. 10,000 Lakhs. Since this Issue Size is less than Rs. 10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Section 177 of the Companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

## **Expert Opinion**

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

Our Company has received written consent from the Independent Peer Reviewed Auditor namely, M/s R. K. Chapawat & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Independent Peer Reviewed Auditor on the Restated Financial Statements, dated October 28, 2022 and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s R. K. Chapawat & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and the statement of tax benefits dated November 01, 2022 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

## **Filing of Prospectus and Prospectus**

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

Further, pursuant to SEBI Circular Number CFD/DIL1/CIR/P/2019/0000000154 dated December 11, 2019, a copy of the Draft Prospectus along with the with due diligence certificate including additional confirmations required to be filed under Section 26 of the Companies Act, 2013 will be filed with SEBI at Plot No.C4-A, 'G' Block Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

A copy of the Draft Prospectus, along with the material contracts and documents referred elsewhere in the Draft Prospectus, will be delivered to the RoC Office situated at ROC Bhavan, 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India.

## **Underwriting Agreement**

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

Details of the Underwriters	No. of Equity Shares underwritten *	Amount Underwritten	% of the total Issue Size Underwritten
<b>First Overseas Capital Limited</b> 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001 Tel No.; +91 22 40509999 Email Id: <a href="mailto:satish@focl.in">satish@focl.in</a> / <a href="mailto:mala@focl.in">mala@focl.in</a> Contact Person: Mr. Satish Sheth/ Ms. Mala Soneji Website: <a href="http://www.focl.in">www.focl.in</a> SEBI Registration No.: INM000003671	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

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

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

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

Our Company and the Lead Manager have entered into an agreement dated [●], with the following Market Maker, duly registered with BSE to fulfill the obligations of Market Making:

<b>Name</b>	: [●]
<b>Address</b>	: [●]
<b>Tel No.</b>	: [●]
<b>Fax No.</b>	: [●]
<b>Email Id</b>	: [●]
<b>Contact Person</b>	: [●]
<b>Website</b>	: [●]
<b>SEBI Registration No.</b>	: [●]

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

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018, and its amendments thereto and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

1. The Market Maker(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 Stock Exchange. Further, the Market Maker shall inform Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

3. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 15% (Including the 5% of Equity Shares of the Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 15%. As soon as the Shares of Market Maker in our Company reduce to 14%, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.
5. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE from time to time.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by them.
7. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE (in this case currently the minimum trading lot size is 1,600 Equity Shares; however, the same may be changed by the SME Platform of BSE from time to time).
8. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of the SME Platform of BSE and SEBI from time to time.
9. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of San Trica Realtors Limited via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
10. There would not be more than (5) five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
11. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the SME Platform of BSE.
12. 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.
13. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
14. The securities of the company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the Stock Exchange.
15. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
16. The Market Maker has to act in that capacity for a period of three years.
17. 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.
18. The Market Maker(s) shall have the right to terminate said arrangement by giving three or one month notice or on mutually acceptable terms to the Lead Manager/Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

19. 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 Lead Manager/Merchant Banker to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager/Merchant Banker reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
20. **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
21. **Punitive Action in case of default by Market Makers:** SME Platform of BSE 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.

22. Price Band and Spreads: 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:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the 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 Exchange Platform.

Sr. No.	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

23. 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 Offer 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 Rs.20 Crores	25%	24%
Rs.20 to Rs.50 Crores	20%	19%

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Rs.50 to Rs.80 Crores	15%	14%
Above Rs.80 Crores	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 / BSE 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 Exchanges from time to time.

## **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, 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 Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

## SECTION VI- CAPITAL STRUCTURE

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

(Rs. In Lakhs)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue price
<b>A.</b>	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of Rs. 10/- each	2000.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	65,71,544 Equity Shares of Rs. 10/- each	657.15	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus</b>		
	Issue of 32,00,000 Equity Shares of face value of Rs. 10/- each at a Issue price of Rs.125/- per Equity Share	320.00	4000.00
	<i>Which comprises:</i>		
	<b>(a) Reservation for Market Maker(s)</b> 1,60,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 125/- per Equity Share	16.00	200.00
	<b>(b) Net Issue to the Public</b> of 30,40,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 125/- per Equity Share	304.00	3800.00
#	<b>Of the Net Issue to the Public*</b>		
	15,20,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 125/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. <b>2.00 Lakhs (Retail Individual Investors)</b>	152.00	1900.00
	15,20,000 Equity Shares of face value of Rs. 10/- each at a price of Rs.125/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. <b>2.00 Lakhs (Other than Retail Individual Investors)</b>	152.00	1900.00
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	97,71,544 Equity Shares of Rs. 10/- each	977.15	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		112.13
	After the Issue		3792.13

# Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. For detailed information on the Net Issue and its allocation various categories, please refer chapter titled “**The Issue**” on page no. 49 of this Draft Prospectus.

The Present Issue has been authorized pursuant to a resolution of our Board dated August 30, 2022 and by Special Resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of our shareholders held on September 30, 2022.

### Class of Shares

The company has only one class of shares i.e. Equity shares of Rs. 10.00/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Prospectus. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.



## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of change in Authorized Share Capital of our Company:

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

Particulars (No. of Equity Shares of FV of Rs. 10 each)		Date of Meeting	Type of Meeting
From	To		
---	50,000 Equity Shares	09-04-2007	On Incorporation
50,000 Equity Shares	2,00,00,000 Equity Shares	10-02-2022	EGM

### 2. Paid-up Share Capital History of our Company

Sr. No.	Date of Allotment of Equity Shares	No. of shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Cumulative Share Capital (Rs.)	Nature / Reason of Allotment
1	09-04-2007	10,000	10,000	10	10	Cash	1,00,000	Subscription to MOA
2	01-10-2008	3,750	13,750	10	3,000	Cash	1,37,500	Private Placement
3	31-03-2022	56,59,794	56,73,544	10	10	Cash	5,67,35,440	Conversion of Unsecured Loan
4	30-06-2022	8,98,000	65,71,544	10	125	Cash	6,57,15,440	Conversion of Unsecured Loan

#### 2.1 Initial Allotment/ Subscribers to Memorandum of Association as on 9<sup>th</sup> April, 2007:

Sr. No.	Name of the Allottee's	No. of shares Allotted
1.	Dr. Nitin Vitthalrao Thorave	3,334
2.	Mr. Ashutosh Madhukar Joshi	3,333
3.	Mr. Shailesh Kesari Patil	3,333
	<b>Total</b>	<b>10,000</b>

#### 2.2 Further Allotment of 3,750 Equity Shares of face value of Rs. 10 each fully paid issued at Rs. 3,000/- per equity share (including a premium of Rs. 2,990/- per share) on private placement basis to the following Allottees as on October 01, 2008.

Sr. No.	Name of the Allottee's	No. of shares Allotted
1	M/s. Kesari Tours Private Limited	3,750
	<b>Total</b>	<b>3,750</b>

#### 2.3 Further Allotment of 56,59,794 Equity Shares of face value of Rs. 10 each fully paid issued at Rs. 10 per equity share (Shares are issued at par) on private placement basis to the following Allottees as on March 31, 2022.

Sr. No.	Name of the Allottee's	No. of shares Allotted
1	Mr. Nitin Vitthalrao Thorave	40,00,000

Sr. No.	Name of the Allottee's	No. of shares Allotted
2	Mrs. Roshan Nitin Thorave	15,99,794
3	Mr. Vitthal Laxman Thorave	60,000
	<b>Total</b>	<b>56,59,794</b>

- 2.4 Further Allotment of 8,98,000 Equity Shares of face value of Rs. 10 each fully paid issued at Rs. 125 per equity share (including a premium of Rs. 115 per share) on private placement basis to the following Allottees as on June 06, 2022.

Sr. No.	Name of the Allottee's	No. of shares Allotted
1	Dr. Nitin Vitthalrao Thorave	8,98,000
	<b>Total</b>	<b>8,98,000</b>

**3. Equity Shares issued for consideration other than cash by Our Company:**

Except for as mentioned above in the notes to capital structure under point number 2 (2.6) of 'Share Capital History of the Company', our Company has not issued any other equity shares for consideration other than cash.

**4. Equity Shares issued in the preceding two (2) years:**

Except for as mentioned above in the notes to capital structure under point number 2 of 'Share Capital History of the Company', Our Company has not issued any equity shares during a period of two (2) years preceding the date of the Draft Prospectus.

- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation of reserves.
- Our Company has not made any allotment of Equity Shares pursuant to any scheme approved under Section Sections 391 to 394 of the Companies Act, 1956 or Section 230-240 of the Companies Act, 2013 as on the date of the Draft Prospectus.
- Except as mentioned below, our Company has not issued Equity Shares at a price lower than the Issue price during a period of one year preceding the date of the Draft Prospectus:

Date of Allotment	No. of Equity Shares Allotted	FV (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Nature of Consideration/ Allotment/ Acquired/ Transfer
31-03-2022	56,59,794	10.00	10.00	Cash	Conversion of Unsecured Loan

- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees, 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.
- As on the date of filing of this Draft Prospectus, there are no partly paid-up shares, outstanding convertible securities, warrants or outstanding warrants, options or rights to convert debentures in our Company or loans or other financial instruments into our equity shares.
- There are no equity shares against which depository receipts have been issued.
- As on the date filing this Draft Prospectus, other than the equity shares, there are no other class of securities issued by our Company. Further, our company does not have any preference share capital as on the date filing this Draft Prospectus.

12. All the equity shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
13. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

#### 14. Capital Buildup of our Promoters shareholding in the Company

As on the date of this Draft Prospectus, our Promoter - Dr. Nitin Vitthalrao Thorave hold 49,10,343 Equity Shares having face value of Rs. 10 per share and representing 74.72% of the pre-issue Paid up Capital of our Company.

Date of Allotment/ Transfer	No. of Equity Shares Allotted	FV (Rs.)	Issue Price/ Transfer Price/ Acquisition Price (Rs.)	Consideration (Cash, Bonus, Consideration other than cash)	Nature of Consideration/ Allotment/ Acquired/ Transfer	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Dr. Nitin Vitthalrao Thorave							
09-04-2007	3,334	10	10	Cash	Subscription to MOA	0.05	0.03
07-05-2009	3,333	10	10	Cash	Transfer from Mr. Ashutosh Madhukar Joshi	0.05	0.03
-\$	5,676	10	10	Cash	Transfer from Roshan Nitin Thorave	0.09	0.06
31.03.2022	40,00,000	10	10	Cash	Conversion of Unsecured Loan	60.87	40.94
30.06.2022	8,98,000	10	125	Cash	Conversion of Unsecured Loan	13.66	9.19
Total	49,10,343					74.72	50.25

#### *\$ Not in record*

All the Equity Shares held by our Promoter were and is fully paid-up on the respective dates of acquisition and/or transfers and/or allotment of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoter is pledged.

Further, the Promoter to our Company and the Lead Manager confirms that the acquisition and/or transfers and/or allotment of the Equity Shares forming part of the Promoter's Contribution has been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by our Promoter for this purpose.

#### *Details of Promoter's contribution and Lock-in*

As per Regulation 236 and 238 of the SEBI (ICDR) Regulations, 2018, and in terms of the aforesaid table, an aggregate of 20% of the fully diluted post-issue equity share capital of our Company held by our Promoter shall be provided towards minimum Promoter's contribution and locked in for a period of 3 (Three) years from the date of Allotment ('Minimum Promoter's Contribution'). The lock-in of the 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. The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018.

Our Promoter has given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoter's Contribution constituting 20.16% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution, from the date of filing of this Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations. The Equity Shares which are being locked in for three (3) years from the date of Allotment are as follows:

Date of Allotment of Fully Paid-up Shares	No. of Equity Shares Locked-in	Nature of Issue/ Acquisition/ acquired/ transfer	Nature of considera tion	FV (Rs.)	Issue Price (Rs.)	% of the Paid-up Capital	
						Pre-Issue	Post-Issue
Dr. Nitin Vithalrao Thorave							
30-06-2022	8,98,000	Conversion of Unsecured Loan	Cash	10	125	13.66	9.19
31.03.2022	10,72,000	Conversion of Unsecured Loan	Cash	10	10	16.31	10.97

The Minimum Promoters contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018. The Equity Shares that are being locked-in are eligible for computation of Promoter Contribution under Regulation 237 of SEBI ICDR Regulations. In this connection, our Company hereby confirms that the Equity Shares locked-in do not consist of:

- Equity Shares acquired during the preceding three (3) years from the date of filing this Draft Prospectus for
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus shares issued out of revaluations reserves or unrealized profits of the Company or bonus issue against equity shares which are otherwise ineligible for computation of Minimum Promoter's Contribution;
- Equity Shares held by the Promoter and offered for minimum Promoters contribution which are subject to any pledge with any creditor;
- Equity Shares acquired during the preceding one (1) year from the date of filing this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Initial Public Offer;
- Equity Shares issued to the Promoter upon conversion of a partnership firm 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 or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution. 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; and
- Equity Shares for which specific written consent has not been obtained from the respective Promoter for inclusion of their subscription in the Promoters Contribution subject to lock-in.

#### ***Equity shares locked-in for one year***

Other than the Equity Shares mentioned above that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and 239 of SEBI ICDR Regulations, 2018.

#### **Other requirements in respect of 'Lock-In'**

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

#### ***Inscription or recording of non-transferability:***

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the share certificates for the equity shares held in physical form, which are subject to lock-in, shall carry the inscription '**non-transferable**' and the non-transferability details shall be informed to and recorded by the Depositories.

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

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

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

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

***Transferability of Locked in Equity Shares:***

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

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

## 15. OUR SHAREHOLDING PATTERN

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

Category	Category of Shareholders	No. 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 No. Of Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C 2)	No. of Voting Rights held in each class of securities *		No. of Shares Underlying Outstanding Convertible Securities (including Warrants)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	No. of Locked in shares **		Shares Pledged or otherwise encumbered		No. of equity shares held in dematerialized form
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX	X	XI=VII+X		XII		XIII		XIV
A	Promoter & Promoter Group	5	65,71,244	-	-	65,71,244	99.99	-	-	99.99	-	-	-	-	-	65,71,244
B	Public	3	300	-	-	300	0.001	-	-	0.001	-	-	-	-	-	300
C	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>65,71,544</b>	<b>-</b>	<b>-</b>	<b>65,71,544</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,71,544</b>

*Note:*

- 1) As on the date of this Draft Prospectus 1 Equity Shares holds 1 vote. The entire pre-IPO equity share of the company will be locked in prior to listing of shares on the SME Platform of BSE Ltd.*
- 2) PAN of all shareholders will be provided to the stock exchange by our Company prior to Listing of Equity Share on the Stock Exchange.*
- 3) Our Company will file the shareholding pattern of our Company, in the form prescribed under SEBI (LODR) Regulations, 2015, as amended from time to time, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.*
- 4) The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.*

16. Following is the details of the aggregate shareholding of Our Promoter and Promoter Group before and after the Issue is set forth below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Pre-Issued Capital	No. of equity shares	As a % of Post-Issue Capital
A	Promoter	49,10,343	74.72	49,10,343	50.25
B	Promoter Group & Relatives	16,60,901	25.27	16,60,901	16.99
C	TOTAL (A+B)	65,71,244	99.99	65,71,244	67.25

17. The average cost of acquisition of per Equity Share by our Promoter is set forth in the table below:

Name of Promoter	No. of equity share held	Average cost of acquisition (in Rs.)
Dr. Nitin Vitthalrao Thorave	49,10,343	31.00

18. None of the Promoter, members forming a part of Promoter Group, Promoter Group Companies/Entities, Directors and their immediate relatives have purchased or sold or transferred any Equity shares of our Company within the last 6 (Six) months immediately preceding the date of this Draft Prospectus.

19. List of shareholders holding 1% or more of the paid-up share capital of our Company: -

(a) As on the date of this Draft Prospectus:

Sr. No.	Name Of The Shareholders	No. of Shares	% of the Pre-Issue Capital
1.	Dr. Nitin Vitthalrao Thorave	49,10,343	74.72
2.	Mrs. Roshan Nitin Thorave	16,00,701	24.36
	<b>Total</b>	<b>65,11,044</b>	<b>99.08</b>

(b) 10 days prior to the date of this Draft Prospectus:

Sr. No.	Name Of The Shareholders	No. of Shares	% of the Pre-Issue Capital
1.	Dr. Nitin VitthalraoThorave	49,10,343	74.72
2.	Mrs. Roshan Nitin Thorave	16,00,701	24.36
	<b>Total</b>	<b>65,11,044</b>	<b>99.08</b>

(c) 1 year prior to the date of filing this Draft Prospectus:

Sr. No.	Name Of The Shareholders	No. of Shares	% of the Pre-Issue Capital
1.	Dr. Nitin VitthalraoThorave	12,343	89.77
2.	Mrs. Roshan Nitin Thorave	907	6.59
	<b>Total</b>	<b>13,250</b>	<b>96.36</b>

d) 2 years prior to the date of filing this Draft Prospectus:

Sr. No.	Name Of The Shareholders	No. of Shares	% of the Pre-Issue Capital
1.	Dr. Nitin VitthalraoThorave	12,343	89.77
2.	Mrs. Roshan Nitin Thorave	907	6.59
	<b>Total</b>	<b>13,250</b>	<b>96.36</b>

20. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as mentioned below and as stated in the chapter titled '**Our Management**' beginning on page no. 135 of this Draft Prospectus.



Sr. No.	Name of the KMP's	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Ms. Abhilasha Nitin Thorave	CEO	100	0.0015
	<b>Total</b>		<b>100</b>	<b>0.0015</b>

21. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the 6 (Six) months preceding the date of this Draft Prospectus.
22. Our Company shall ensure that transactions in the Equity Shares by the Promoter and members forming a part of the Promoter Group and/ or Group Companies/Entities between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
23. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
24. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
25. Except as disclosed in this Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
26. There have been no financial arrangements whereby our Promoter, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Draft Prospectus, other than in the normal course of business of the financing entity.
27. There are no other persons belonging to the category "Public" who are holding the securities (including shares, warrants, convertible securities of our Company more than 5% of the total number of shares as on the date of this Draft Prospectus.
28. There are no persons belonging to the category "Public" is holding the securities (including shares, warrants, convertible securities of our Company more than 1% of the total number of shares as on the date of this Draft Prospectus.
29. Our Company, our Promoter, our Directors and the Lead Manager to the Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
30. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
31. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicant for making an application, except for fees or commission for services rendered in relation to the Issue.
32. There are no safety net arrangements for this Public Issue.
33. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018, as amended from time to time.

34. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoter and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in for 3 years.
35. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
36. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under ***“Basis of Allotment”*** in the chapter titled ***“Issue Procedure”*** beginning on page no. 235 of this Draft Prospectus.
37. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
38. As per RBI regulations, OCBs are not allowed to participate in the Issue.
39. The Issue is being made through Fixed Price method.
40. None of the other Promoter and members of our Promoter Group will participate in this Issue.
41. Our Company has not raised any bridge loan against the proceeds of the Issue.
42. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
43. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
44. An Applicant cannot make an application for more than the number of Equity Shares being issued through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
45. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in the Issue.
46. We have 8 shareholders as on the date of filing of this Draft Prospectus.
47. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
48. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Fresh Issue includes a public Issue of 32,00,000 Equity Shares of our Company at an Issue Price of Rs. 125 per Equity Share. The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

- 1) To meet the Working Capital requirements; and
- 2) General Corporate Expenses.

We believe that listing will give more visibility and enhance corporate image of our Company. We also believe that our Company and shareholders will receive the benefits from listing of Equity Shares on the SME Platform of BSE. 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 object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 131.

#### Issue Proceeds and Net Proceeds

The details of the issue proceeds are summarized below:

Particulars	Amount (Rs. In Lakhs)
Gross Proceeds of the Issue	4000.00
Less: Issue related expenses	(65.00)
<b>Net Proceeds of the Issue (Net Proceeds)</b>	<b>3935.00</b>

#### Utilization of Net Proceeds:

We intend to utilize the proposed net proceeds in the manner set forth below:

(Rs. In Lakhs)		
Sr. No.	Objects of the Issue	Net Proceeds
1.	To meet the Working Capital requirements	3071.91
2.	General Corporate Expenses *	863.09
	<b>Total</b>	<b>3935.00</b>

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

*Since, the entire fund requirement of the objects detailed above are intended to be funded from the Net Proceeds. In view of the above, we confirm that our company the firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue is not applicable.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, quotation from suppliers, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of variety of factors such as our financial and market condition, government approval and clearance, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the shipyard and vessels and other external factors including changes in the price of the machinery and raw material due to variation in commodity prices 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, subject to compliance with applicable law. For further details, see “Risk Factors – The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution.”

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Object.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth or shortfall in the Net Proceeds or delay in raising funds through the IPO, increased fund requirements for a particular purpose may be financed from our internal accruals and/ or debt financing, as required. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI ICDR Regulations.

However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part of the Issue Proceed shall be utilized for repayment of any part of outstanding unsecured loan as on date of filing the Prospectus. 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 no. 25.

### Deployment of Net Proceeds and Schedule of Implementation

As on the date of the Prospectus, our Company has not incurred any expenditure on the Objects. As on the date of the Prospectus, our Company has not deployed the funds set forth in the table below:

(Rs. In Lakhs)					
Sr. No.	Objects of the Issue	Gross Proceeds of the Issue	Expenses Already Incurred till March 31, 2022	Utilization of Issue Proceeds	
				FY 2022-23	FY 2023-24
1.	To meet the Working Capital requirements	3071.91	-	2500.00	1009.61
2.	General Corporate Expenses	863.09	-	780.00	83.09
3.	To meet the expenses of the Issue	65.00	5.00	65.00	-
	<b>Total</b>	<b>3935.00</b>	<b>5.00 *</b>	<b>3340.00</b>	<b>655.00</b>

\*The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Object.

### DETAILS OF THE OBJECTS OF THE ISSUE

#### I. TO MEET INCREMENTAL WORKING CAPITAL REQUIREMENTS

We will need additional working capital for the growth of our business. We have estimated our additional working capital requirements for FY 2022-23 and FY 2023-24 which will be funded through the proposed public issue. The working capital will be primarily used for expanding our current business operations. Our Company proposes to meet the incremental requirement to the extent of Rs. 3071.91 Lakhs for the FY 2022-23 from the Net Proceeds of the Issue.

The details of estimation of working capital are as mentioned below:

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

(Rs. In Lakhs)					
	Particulars	June 30, 2022	31/03/2021	31/03/2022	31/03/2023
	<b>Sales</b>	<b>420.91</b>	<b>137.14</b>	<b>521.76</b>	<b>1,565.28</b>
<b>Current Assets</b>					
	Inventories	8.80	-	2.57	500.00

	Trade Receivables	13.34	12.34	13.34	290.00
	Cash and Cash Equivalents	371.95	11.45	254.20	1,300.00
	Current Investments	15.00			900.00
	Short Term Loans & Advances	370.00	370.00	370.00	700.00
	Other Current Assets	0.08	0.08	0.08	300.00
	<b>Total (I)</b>	<b>779.17</b>	<b>393.87</b>	<b>640.19</b>	<b>3,990.00</b>
<b>Current Liability</b>					
	Short-term Borrowings	50.78	41.21	45.74	60.00
	Trade Payables	18.26	11.77	18.86	285.00
	Other Current Liabilities	45.00	45.00	45.00	50.00
	Short-term Provisions	0.75	-	8.50	1.00
	<b>Total (II)</b>		<b>97.98</b>	<b>118.10</b>	<b>396.00</b>
	<b>Net Working Capital (I)-(II)</b>		295.89	522.09	3,594.00
	<b>Incremental Working Capital</b>			226.20	3,071.91
	Funding Pattern:				
	Internal Accruals/Short Term Borrowings			226.20	522.09
	Part of the IPO Proceeds			-	3071.91

#### Justification (FY 2022-23):

We will require working capital to increase based on the following holding periods :

<b>Inventories</b>	We expect Inventory Holding days to beat appx. 117 Days for Fiscal 2022-23 due to increase in production level as per our projected financials and for meeting the increased demand in our industry.
<b>Trade Receivables</b>	We expect Debtors Holding days to beat appx. 68 days for Fiscal 2022-23 based on increase in production level as per our projected financials and for meeting the increased demand.
<b>Trade Payables</b>	We expect Creditor's payments days to be appx. 66 Days for Fiscal 2022-23 in line with our estimation.

## II. GENERAL CORPORATE EXPENSES

Our management, in accordance with the policies of our Board, will deploy Rs. 863.09 Lakhs from Net Proceeds towards the general corporate expenses to drive our business growth.

In accordance with the policies set up by our Board, we have flexibility in utilizing the remaining Net Proceeds not exceeding 25% of the amount raised by our Company through this Issue, for general corporate purpose including but not restricted to, meeting operating expenses, branding, promotion, advertisements and 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.

Further, our management confirms that

- any issue related expenses shall not be considered as a part of General Corporate Purpose; and
- the amount deployed towards general corporate expense, as mentioned above in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### III. TO MEET THE EXPENSES OF THE ISSUE

The total expenses of the Issue are estimated to be approximately Rs. 65.00 Lakhs which include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

(Rs. In Lakhs)			
Sr. No.	Particulars	Amount	% of the Issue Expenses
1.	Issue management fees including fees and reimbursements of Market Making fees and payment to other intermediaries such as Legal Advisors to the IPO, Registrars and other out of pocket expenses.	48.00	73.85
2.	Advertising and marketing expenses	3.00	4.62
3.	Printing & Stationery, Distribution, Postage	3.00	4.62
4.	Regulatory and other statutory expenses including Listing Fee	11.00	16.92
	<b>Total estimated Issue expenses</b>	<b>65.00</b>	<b>100.00</b>

*@ please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.*

#### Bridge Financing Facilities

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

#### Appraisal by Appraising Agency

The fund requirements and deployment is based on internal management estimates and has not been appraised by any banks or financial institutions.

#### Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act, 1934, as amended from time to time. Such deposits will be approved by our management from time to time.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the Net Proceeds of the Offer as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### Monitoring of Issue Proceeds

As the size of the Fresh Issue does not exceed Rs. 10,000 Lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee.

Pursuant to 32 of the SEBI (LODR) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net

Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. 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 and applicable rules. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in vernacular language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the proposal to vary the objects, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such Shareholders, at such a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Directors, Associates, Key Management Personnel or Group Companies, except as may be required in the normal course of business and in compliance with the applicable law.

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**” on page 25, the details about our Company under the chapter titled “**Our Business**” and its financial statements under the section titled “**Restated Financial Information**” beginning on pages 104 and 163 respectively including important profitability and return ratios, as set out in “**Annexure 33**” under the section titled Financial Information of the Company on page 173 to have a more informed view. The issue price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his/their investment.

### **Qualitative Factors**

For details of Qualitative factors please refer to the paragraph ‘**Our Competitive Strengths**’ in the chapter titled ‘**Business Overview**’ beginning on page no. 98 of this Draft Prospectus.

### **Quantitative Factors (Based on Standalone Financial Statements)**

#### **1. Basic & Diluted Earnings Per Share (EPS):**

Period	Basic and Diluted EPS (In Rs.)	Weights
Fiscal 2020	(769.16)	1
Fiscal 2021	(1383.56)	2
Fiscal 2022	529.89	3
<b>Weighted Average</b>	<b>(324.44)</b>	
June 30, 2022 (Non-Annualised)	<b>4.5</b>	

#### **Notes:**

- a) The figures disclosed above are based on the restated financial statements of the Company.
- b) The face value of each Equity Share is Rs. 10.00.
- c) Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- d) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure 04 on page no.150.
- e) Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.
- f) Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
- g) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].

#### **2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 125:**

Particulars	P/E at the Issue Price of Rs. 125:
Based on the Basic and Diluted FY 2021-22	27.78
Based on the Weighted Average Basic and Diluted EPS	47.71
<b>Industry P/E</b>	33.13
Highest	101.17
Lowest	4.17
Average	52.67

#### **Note:**

- a) Industry P/E is based as on Audited financials March 31, 2022; Source for industry P/E: [www.moneycontrol.com](http://www.moneycontrol.com). Please note the companies mentioned are the nearest comparable but not exactly comparable.
- b) P/E Ratio = Issue Price/ EPS



- c) Since there is only a single company in the similar line of business as ours and is listed on the Stock Exchange, hence, the high, low and average price cannot be ascertained.

### 3. Average Return on Net Worth (RoNW):

Period	Return on Net Worth (%)	Weights
Fiscal 2020	0.13	1
Fiscal 2021	0.19	2
Fiscal 2022	(0.55)	3
<b>Weighted Average</b>	<b>(0.19)</b>	
June 30, 2022 (Non-Annualised)	<b>0.23</b>	

Note:

- a) The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated, by Net Worth (excluding revaluation reserve, if any) as at the end of the year/ period excluding miscellaneous expenditure to the extent not written off.
- b) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e.  $[(RoNW \times Weight) \text{ for each fiscal}] / [Total \text{ of weights}]$ .

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

Particulars	NAV (in Rs.)
As on March 31, 2022	(4.99)
As on June 30, 2022	16.66
NAV after the Issue	11.21
Issue Price	125

Note:

- a) NAV per Equity Share will be calculated as net worth divided by number of equity shares outstanding at the end of the year.

### 5. Peer Competitors - Comparison of Accounting Ratios:

Name of the Company	CMP *	Face Value (In Rs.)	EPS (In Rs.) #	P/E Ratio #	RONW (%) #	Book Value (In Rs.) #
DB Realty Ltd.	101.20	10.00	1.11	94.73	1.42	68.08
Kamat Hotels (India) Limited	89.80	10.00	(9.47)	(6.51)	0.00	(74.95)
<b>San Trica Realtors Limited ***</b>	125.00	10.00	4.50	27.78	(0.55)	(4.99)

\*Closing price on November 30, 2022 at BSE and for our Company it is considered as issue price.

# Source: Money Control; based on FY 2022 financial statements.

\*\*\*Based on March 31, 2022 restated financial statements.

We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. Hence a strict comparison is not possible.

6. The face value of Equity Shares of our Company is Rs. 10 per Equity Share and the Issue Price of Rs. 125/- per Equity Share is 12.5 times the face value.
7. The Issue Price of Rs. 125 is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled '**Risk Factors**', and chapters titled '**Business Overview**' and '**Restated Financial Statement**' beginning on page no. 25, 98 and 143, respectively of this Prospectus.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**San Trica Realtors Limited**  
SwapnashilpBungalow, Behind Aarti Apartment,  
Vartak Road, Virar (West) - 401303, Palghar,  
Maharashtra, India

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

**Sub: Proposed Public Issue of 32,00,000 equity shares of face value of Rs. 10.00 each for cash at a price of Rs. 125.00 (Including Share Premium of Rs. 115.00/- per Equity Share) per Equity Share aggregating Rs. 4000.00 Crores through the fixed price route.**

Dear Sir/ Madam,

We hereby report that this certificate along with the annexure(hereinafter referred to as “**The Statement**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (“IT Act”) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2020 (i.e. applicable to F.Y. 2022-23 relevant to A.Y. 2023-24) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax [GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialed for identification purposes only.

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

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

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

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

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

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

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

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

**Yours faithfully,**

**For R. K.Chapawat & Co.,  
Chartered Accountants  
Firm No.: 101708W**

Ravindra Chapawat  
**Partner**  
**Membership No. 37720**  
**Place: Virar**  
**Date: 01-11-2022**  
**UDIN: 2203772OBBQRIB6805**

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

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

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

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

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

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

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

#### **Notes:**

- 1) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- 2) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3) The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y. 2022-23 relevant to A.Y. 2023-24.
- 4) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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

**For R. K.Chapawat & Co.,  
Chartered Accountants  
Firm No.: 101708W**

Ravindra Chapawat  
**Partner**  
**Membership No. 37720**  
**Place: Virar**  
**Date: 01-11-2022**  
**UDIN: 2203772OBBQRIB6805**

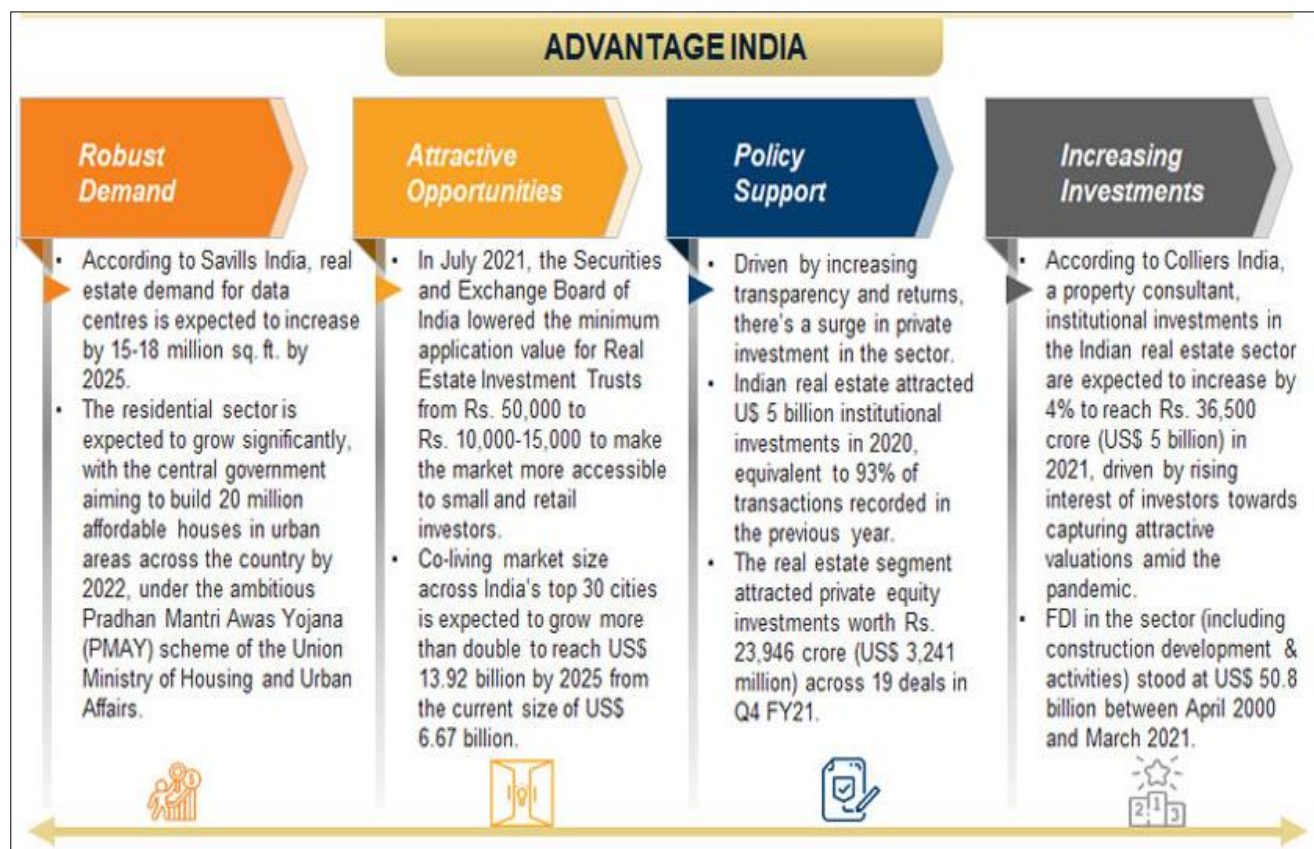
## SECTION VIII – ABOUT US

### INDUSTRY OVERVIEW

*The information in this section has not been independently verified by us or any other person connected with the Issue or by any of our or their respective affiliates or advisors. This section also includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Further, the Investors should read the entire Draft Prospectus, including the information contained in the sections titled “**Risk Factors**” and “**Financial Statements**” and related notes beginning on page no. 23 and 135 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.*

#### Introduction

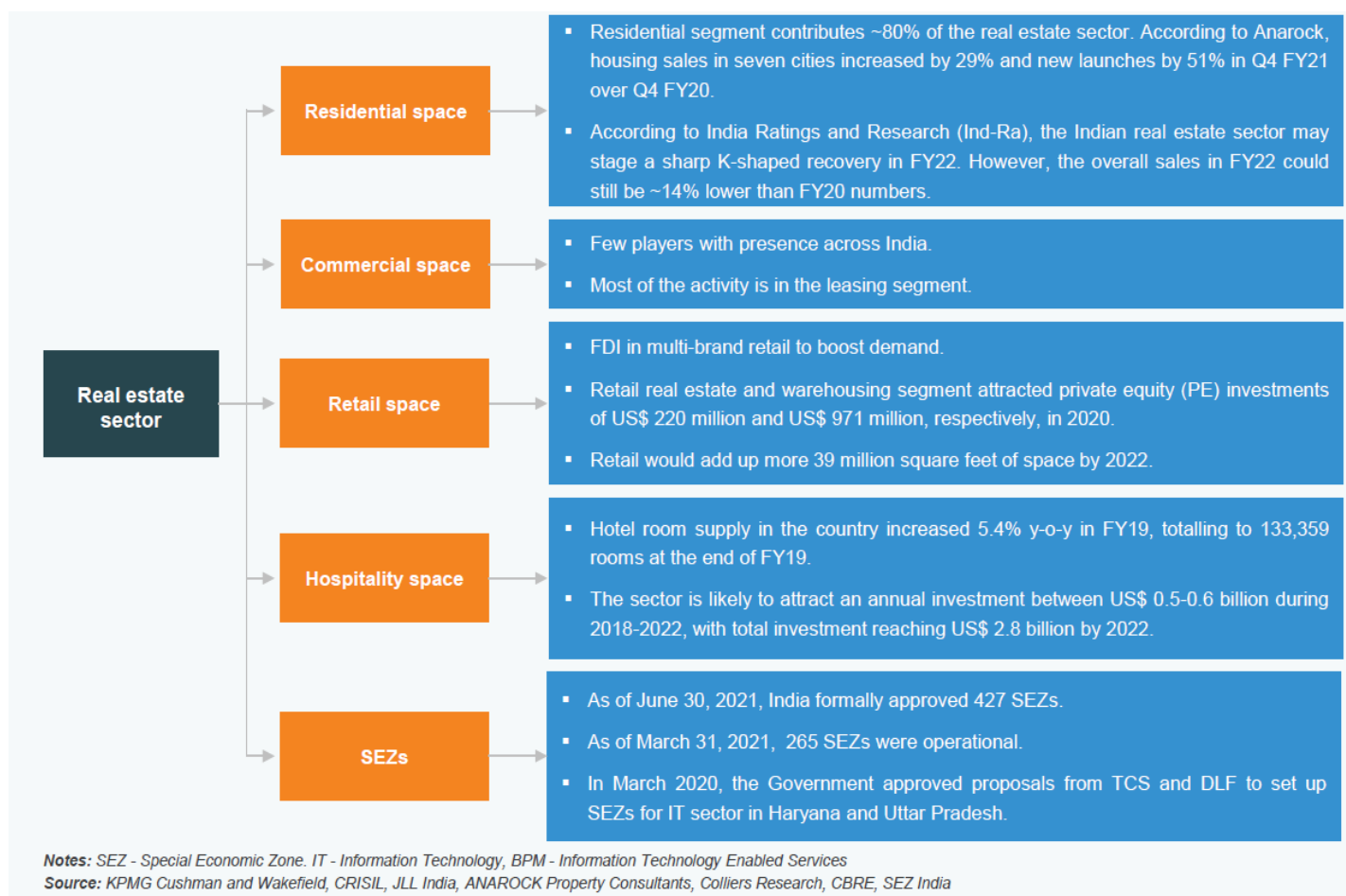
Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.



In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long

term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

## Segments in the Indian real estate sector

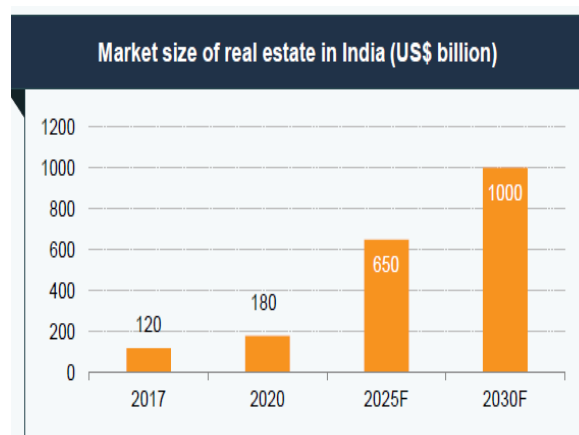


## Market Size

By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US\$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion to date.

The office market in top eight cities recorded transactions of 22.2 msf from July 2020 to December 2020, whereas new completions were recorded at 17.2 msf in the same period. In terms of share of sectoral occupiers, Information Technology (IT/ITeS) sector dominated with a 41% share in second half of 2020, followed by BSFI and

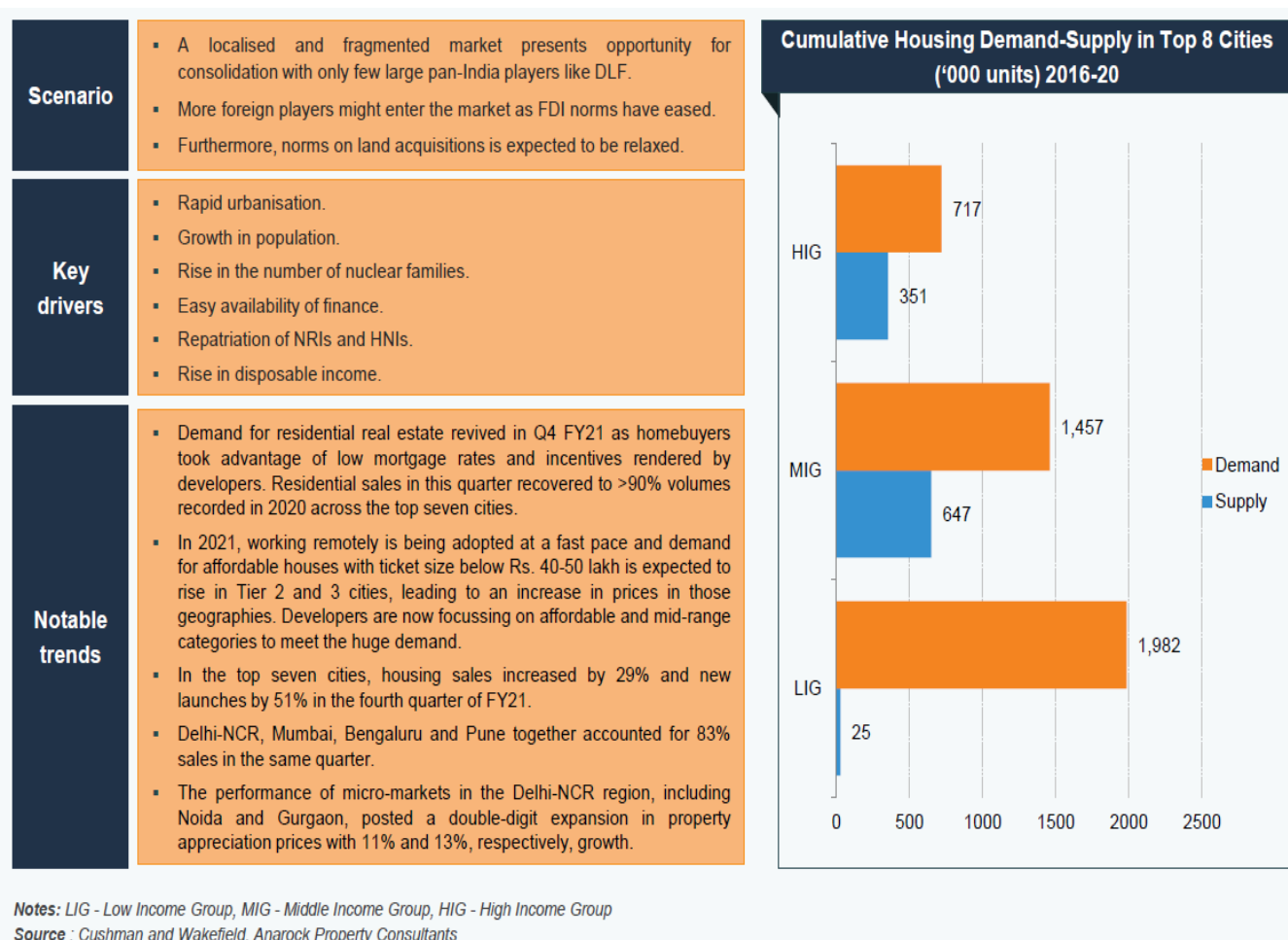


Manufacturing sectors with 16% each, while Other Services and Co-working sectors recorded 17% and 10%, respectively.

The Government launched 10 key policies for the real estate sector:

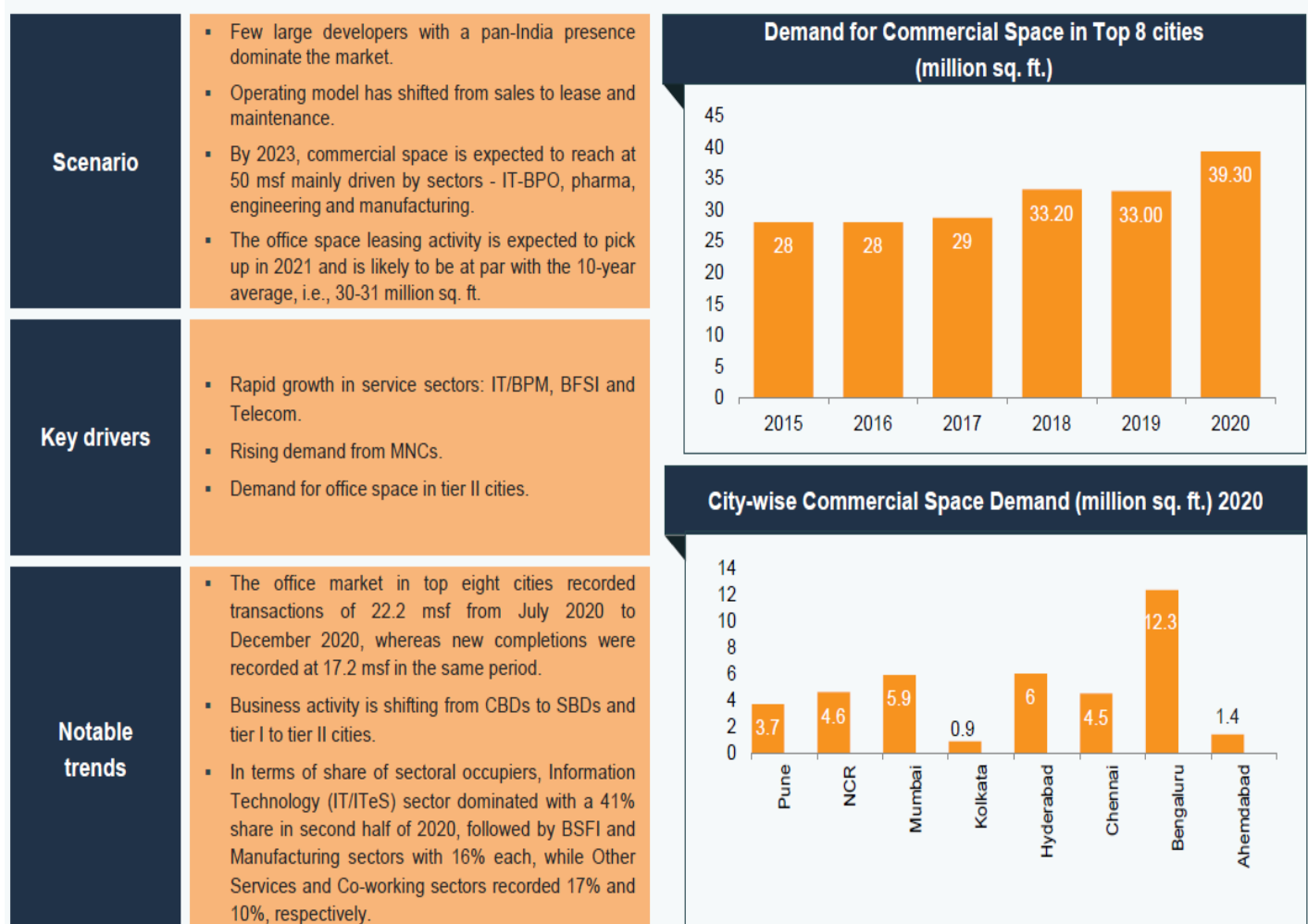
- Real Estate Regulatory Act (RERA)
- Benami Transactions Act
- Boost to affordable housing construction
- Interest subsidy to home buyers
- Change in arbitration norms
- Service tax exemption
- Dividend Distribution Tax (DDT) exemption
- Goods and Services Tax (GST)
- De-monetisation
- PR for foreign investors

#### Demand for residential space expected to grow sharply:



According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025. In 2020, the manufacturing sector accounted for 24% of office space leasing at 5.7 million square feet. SMEs and electronic component manufacturers leased the most between Pune, Chennai and Delhi NCR, followed by auto sector leasing in Chennai, Ahmedabad and Pune. The 3PL, e-commerce and retail segments accounted for 34%, 26% and 9% of office space leases, respectively. Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.

## Metros driving demand for commercial space



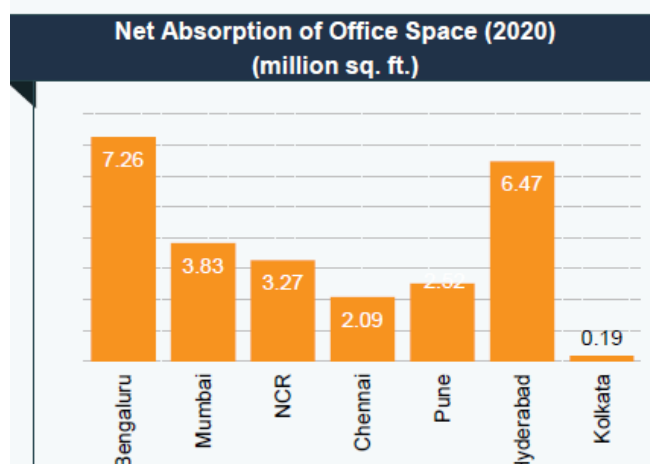
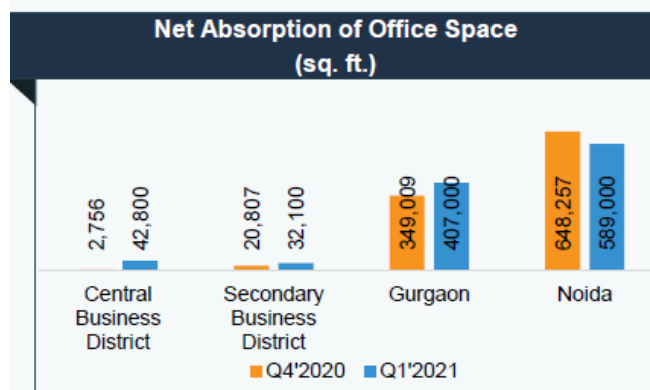
**Notes:** MNC - Multinational Corporation, BFSI - Banking, Financial and Insurance Services, CBD - Central Business District, SBD - Special Business District, NCR - National Capital Region, msf- million square feet

**Source:** Cushman and Wakefield, Knight Frank Research



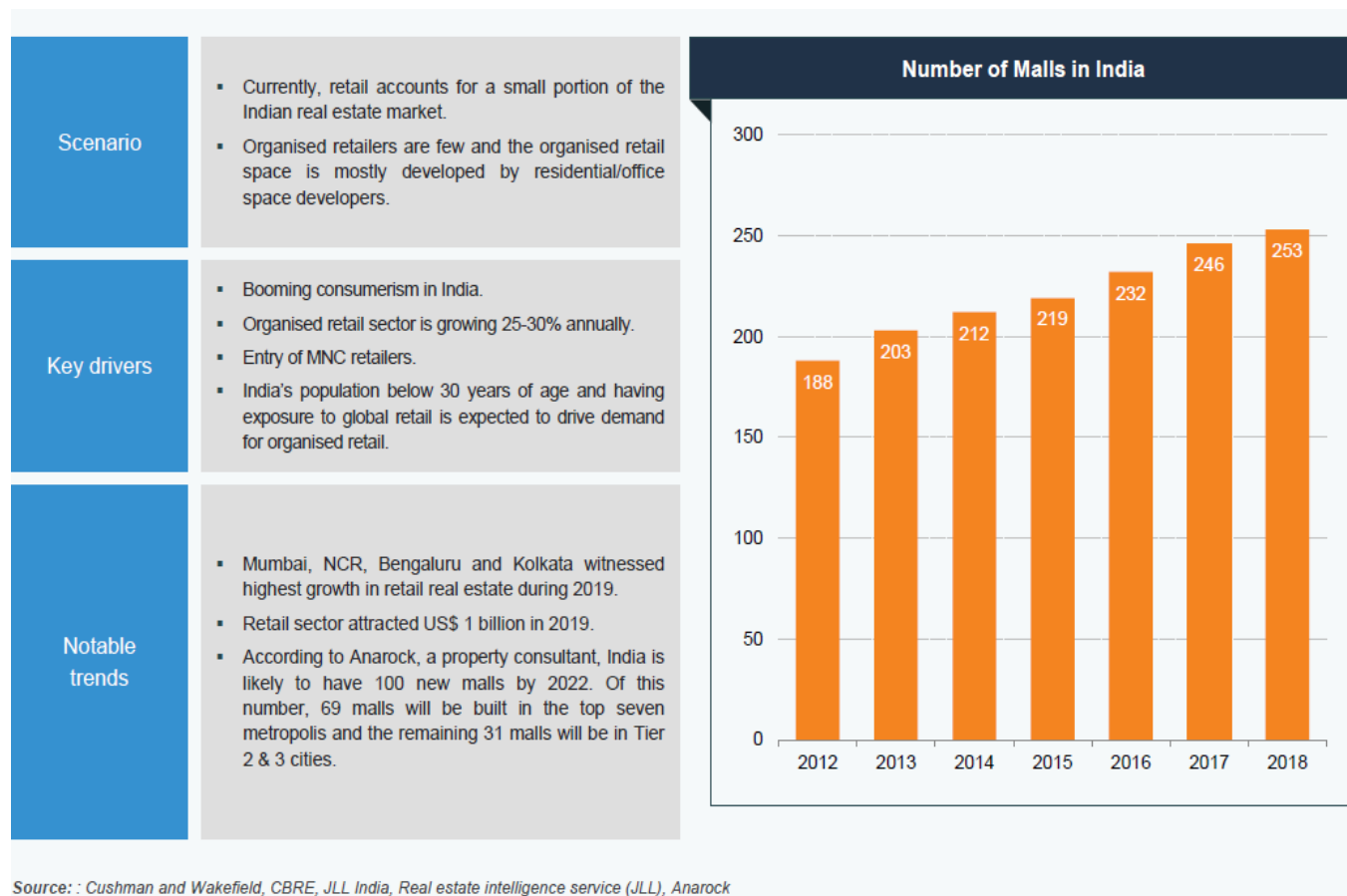
## Office market overview

- Office market has been driven mostly by growth in BPM/IT, BFSI, consulting and manufacturing industries. Moreover, many new companies are planning a foray into Indian market due to huge potential and relaxed FDI norms.
- Grade-A office space absorption is expected to cross 700 msf by 2022, with Delhi-NCR contributing the most to this demand.
- In 2021, Bengaluru is expected to record huge deals of >100,000 sq. ft. and form a major portion of projected leasing; and is expected to account for a 20-30% increase in absorption, while the supply is expected to gradually increase 20-30% y-o-y.
- According to JLL India, in 2020, the net absorption of office space in the top seven cities was 25.63 million sq. ft.
- According to a JLL Report, Delhi-NCR witnessed a 5% increase in net absorption of office space in the fourth quarter of FY20 on a QoQ basis with 1.07 million sq. ft.
- According to JLL India, in the January-March 2021 quarter, Noida accounted for 55% of the net absorption, followed by Gurgaon at 38%.
- COVID-19 pandemic has resulted into work from home (WFH) element, which impacted the new space commitments in the short term. In 2020, new office space in the seven cities was 36.34 million square feet, a decrease of 30% y-o-y. However, recovery of the office leasing market is expected to start in early-2021.
- Absorption of industrial and warehousing space is expected to grow by 83% to 47.7 million square feet in 2021, driven by strong growth in the e-commerce and manufacturing as well as growing demand in emerging Tier I and II cities, according to Savills India.
- Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.



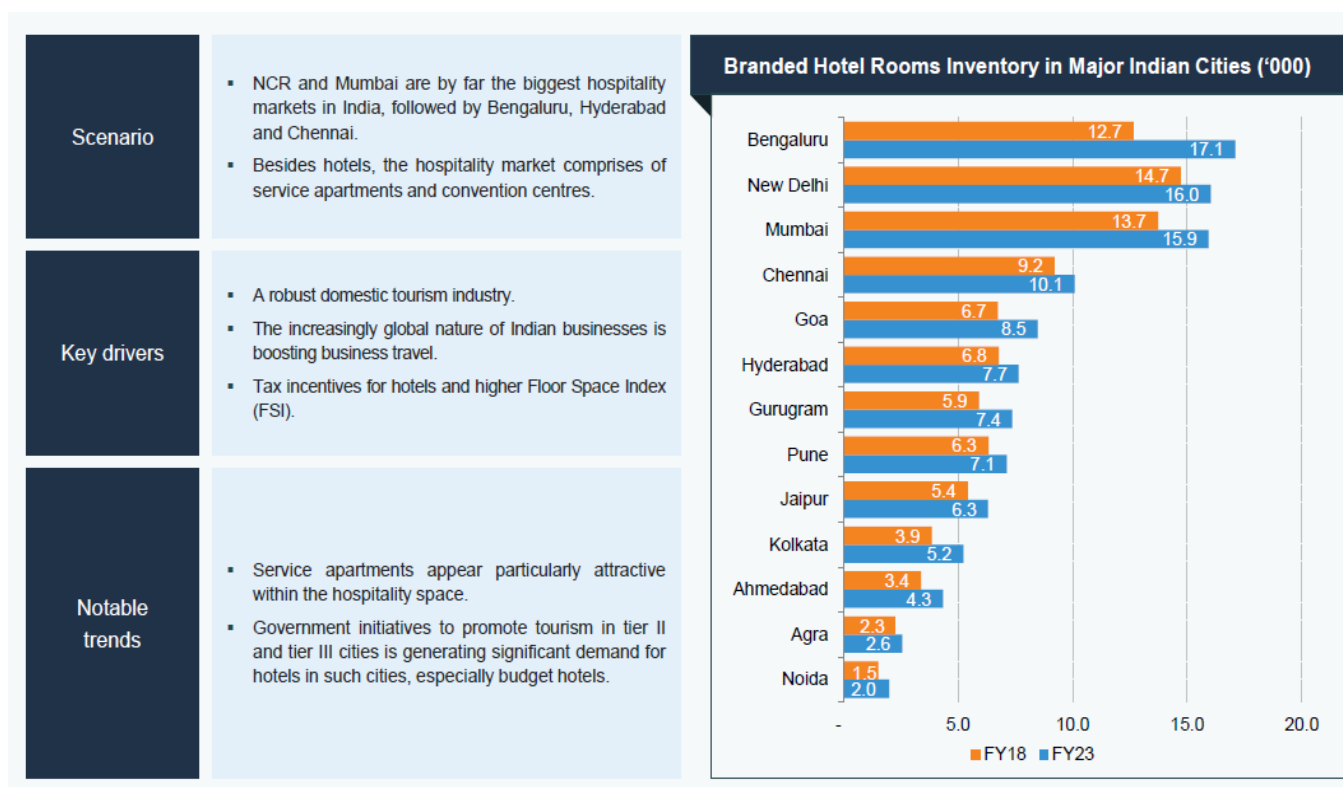
## Retail space likely to see strong growth

Retail real estate and warehousing segment attracted private equity (PE) investments of US\$ 220 million and US\$ 971 million, respectively, in 2020. Grade-A office space absorption is expected to cross 700 msf by 2022, with Delhi-NCR contributing the most to this demand.



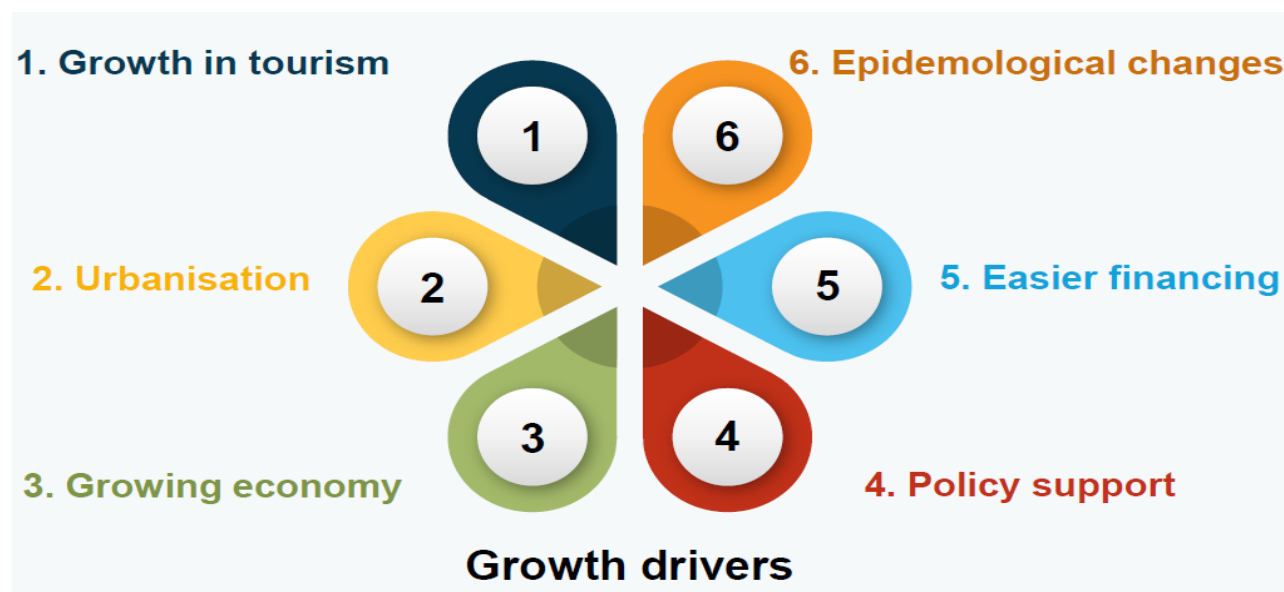
Housing launches were 86,139 units across the top eight Indian cities in the second half of 2020. Home sales volume across eight major cities in India jumped by 2x to 61,593 units from October 2020 to December 2020, compared with 33,403 units in the previous quarter, signifying healthy recovery post the strict lockdown imposed in the second quarter due to the spread of COVID-19 in the country.

## Hospitality market to witness large incremental capacity



According to the Economic Times Housing Finance Summit, about 3 houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

### Recent Trends and Strategies



### Strategies Adopted

## 1. Diversified portfolio

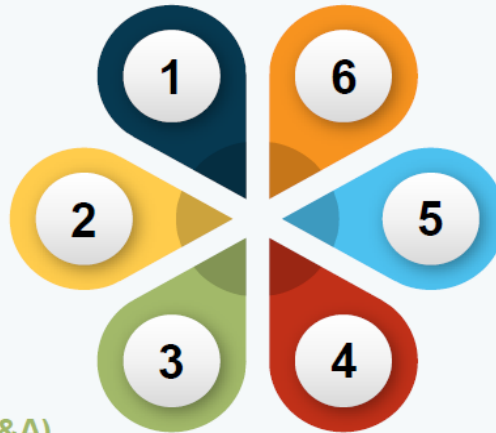
- Having a diverse portfolio of residential, commercial and township developments.
- Companies have projects in various strategic geographic locations in order to diversify risks.
- Focus on the growth of lease business.
- Housing finance companies and private equity (PE) companies have started focusing on affordable housing.

## 2. Backward integration

- An architectural, structural and interior studio and a metal and glazing factory.
- Interiors, wood working factory, and concrete block making plant.

## 3. Merger & Acquisition (M&A)

- To establish an investment platform for the Indian retail-led mixed-use assets, in June 2021, GIC announced to acquire a minority stake in Phoenix Mills's portfolio (worth US\$ 733 million).
- In May 2021, Blackstone Real Estate acquired Embassy Industrial Parks for Rs. 5,250 crore (US\$ 716.49 million) to expand its presence in the country.
- In November 2020, Prestige Estates Projects Ltd. sold a large portfolio of office, retail and hotel properties to Blackstone for Rs. 12,745 crore (US\$ 1.7 billion).
- In October 2020, Australia's REA Group Ltd. announced its agreement to acquire a controlling interest in Elara Technologies Pte. Ltd., the owner of Housing.com, PropTiger.com and Makaan.com.
- Iconic RK Studios property, located in suburban Chembur, was acquired by Godrej Properties.
- Raymond sold its 20 acres Thane land to Xander-backed VRSA for Rs. 700 crore (US\$ 98 million).



## 6. Strategic Partnership

- To expand into the Indian real estate market, SRAM & MRAM Group collaborated with Area CAS Developers and Infrastructure Private Limited (Area Group), and Gupta Builders and Promoters Private Limited (GBP Group) of India. It plans to invest US\$ 100 million in the real estate sector.

## 5. Superior execution

- Outsourced support functions
- Focus on delivery capability
- Development of world class infrastructure
- Rationalising costs

## 4. Risk management in land sourcing

- Joint venture with landowners instead of amassing land banks. For example - Oberoi Realty, a Mumbai based realty firm, adopted this strategy while entering the NCR region.
- On July 23, 2020, Sunteck Realty entered a joint development agreement with landowners to construct a housing project in the Mumbai Metropolitan Region (MMR), having a revenue potential of Rs. 5,000 crore (US\$ 709.32 million) over the next five-seven years.

## Investments/Developments

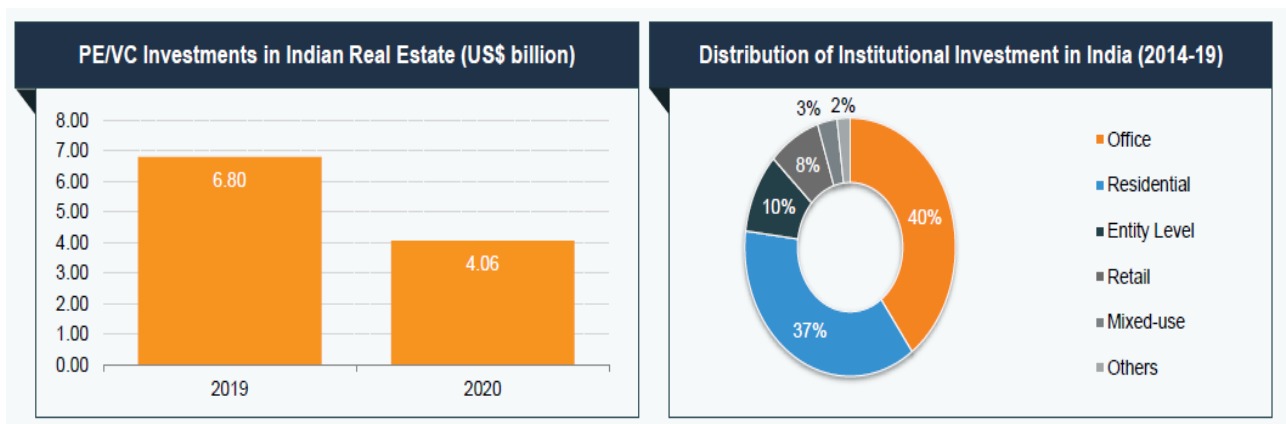
Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces. According to Colliers India, a property consultant, institutional investments in the Indian real estate sector are expected to increase by 4% to reach Rs. 36,500 crore (US\$ 5 billion) in 2021, driven by rising interest of investors towards capturing attractive valuations amid the pandemic. According to a recent report by Colliers India, private equity investments in Indian real estate reached US\$ 2.9 billion in the first half of 2021, which was a >2x increase from the first half in 2020.

Exports from SEZs reached Rs. 7.96 lakh crore (US\$ 113.0 billion) in FY20 and grew ~13.6% from Rs. 7.1 lakh crore (US\$ 100.3 billion) in FY19.

In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US\$ 685.28) to Rs. 10,000-15,000 (US\$ 137.06 - US\$ 205.59) to make the market more accessible to small and retail investors.

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US\$ 50.8 billion between April 2000 and March 2021.

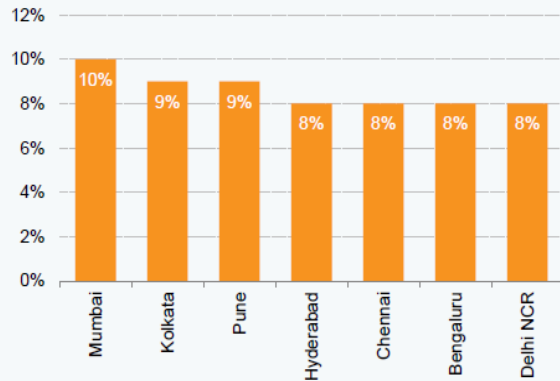
## PE investments on the rise



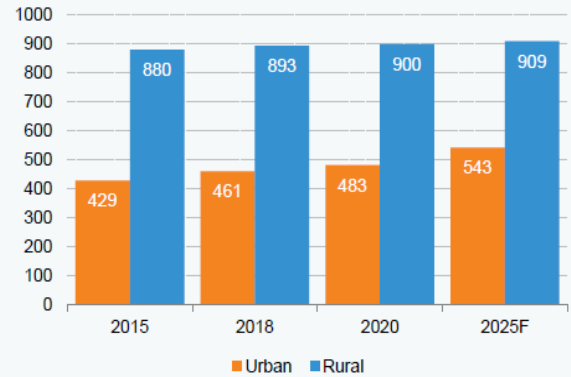
- RBI proposed to allow banks to invest in real estate investment trusts and infrastructure investment trusts, attracting more institutional investors to such assets. Indian Banks, which are allowed to invest about 20% of their net-owned funds in equity-linked mutual funds, venture capital (VC) funds and stocks, could invest in these trusts within this limit.
- Foreign portfolio investment in the Indian real estate sector stood at Rs. 3, 671 crore (US\$ 497 million) in March 2021.
- The real estate segment attracted private equity investments of Rs. 23,946 crore (US \$3,241 million) across 19 deals in Q4 FY21. Investments in the sector grew 16x compared with Rs. 1,470 crore (US\$ 199 million) in Q4 FY20. In value terms, these investments were 80% of that in 2020 and 48% of 2019, according to a report by Knight Frank.
- As per Savills India's report, foreign institutional investors accounted for most investments in the Indian real estate in the first quarter of 2021. Of the total, 58% (Rs. 78.3 billion (US\$ 1.07 billion) was invested in commercial office assets, while 42% (Rs. 56.7 billion; US\$ 773.81 million) was invested in residential real estate.
- The Godrej Group has forayed into the financial services industry with Godrej Housing Finance (GHF), through which it hopes to build a long-term and sustainable retail financial services business in India, aiming for a balance sheet of Rs. 10,000 crore (US\$ 1.35 billion) in the next three years.
- In April 2021, HDFC Capital Advisors (HDFC Capital) partnered with Cerberus Capital Management (Cerberus) to create a platform that will focus on high-yield opportunities in the residential real estate sector in India. The platform seeks to purchase inventory and provide last-mile funding for under construction residential projects across the country.
- Blackstone is one of the largest private market investors in India, managing about Rs. 3,694 crore (US\$ 50 billion) of market value in the real estate sector. The company anticipates investing >Rs. 1,625 crore (US\$ 22 billion) in the next 10 years.

**Economic growth along with growing urbanisation is boosting real estate demand**

**Growth in Household Incomes in Indian Cities (2019)**



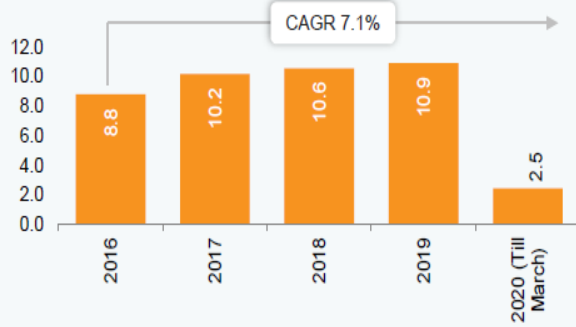
**Population breakdown of India (million)**



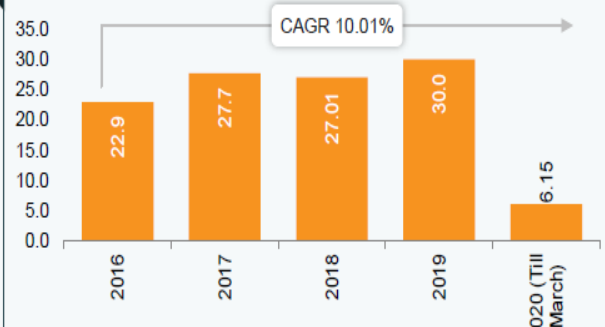
- The Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years.
- India's urban population is expected to reach 525 million by 2025, up from an estimated 463 million in 2020.
- Rising income and employment opportunities have led to more urbanisation and more affordability for real estate in cities.

### Rising tourist numbers boosting the hospitality sector

**Foreign Tourists Arrivals in India (million)**



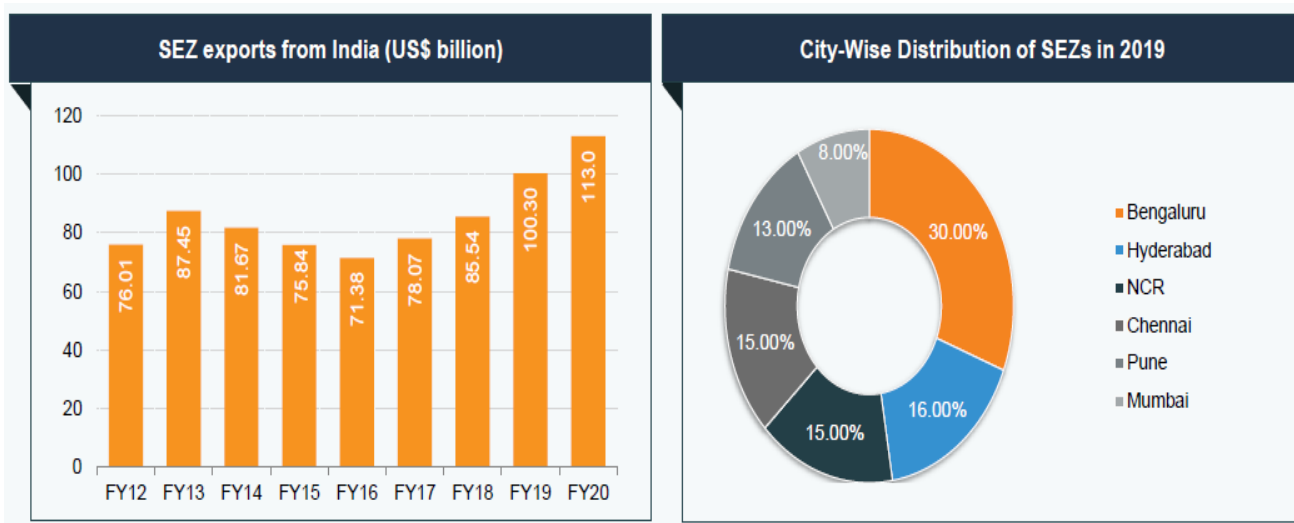
**India's Foreign Exchange Earnings From Tourism (US\$ billion)**



- During 2019, foreign tourist arrivals (FTAs) in India stood at 10.9 million, achieving a growth rate of 3.20% y-o-y.
- During 2019, India earned US\$ 30.0 billion in foreign exchange from tourism, recording a y-o-y growth of 4.80%. Foreign exchange earnings (FEEs) from tourism in India grew at a CAGR of 8.96% during 2007-19.
- India's tourism and hospitality industry is anticipated to touch US\$ 418.9 billion by 2022.
- The growing inflow from tourists is expected to provide a fillip to the hospitality sector.
- Medical tourism sector in India is gaining momentum with a target of attracting 8 million medical tourists into the country by 2020.
- Hilton plans to add 18 hotels pan India by 2021, along with 15 operational hotels under its brands—Hampton, Hilton Garden Inn, Conrad, Hilton Hotels & Resorts and Double Tree by Hilton. On October 22, 2020, Hilton launched its first Double Tree by Hilton brand in Jaipur, Rajasthan.
- In November 2020, Taj Group partnered with the real estate company AmbujaNeotia Group to launch three new hotels—two in Kolkata and one in Patna.
- In November 2020, Accor, a leading hospitality group, to launch seven new properties in India by 2022.

### SEZs emerging as an extension of real estate business

- 100% FDI permitted for developing townships within SEZs with residential areas, markets, playgrounds, clubs, recreation centres, etc.
- Exports from SEZs reached Rs. 7.96 lakh crore (US\$ 113.0 billion) in FY20 and grew ~13.6% from Rs. 7.1 lakh crore (US\$ 100.3 billion) in FY19.
- In March 2020, proposals from TCS and DLF to set up SEZs for IT sector in Haryana and Uttar Pradesh was approved by the Government.
- Industry players, including realtors and property analysts, are rooting for the creation of "Special Residential Zones" (SRZs) along the lines of SEZs.



Some of the major investments and developments in this sector are as follows:

- According to EY, > US\$ 9.7 billion has been raised in India via real estate investment trusts (REITs) and infrastructure investment trusts (InvITs).
- According to JLL India, in the January-March 2021 quarter, Noida accounted for 55% of the net absorption, followed by Gurgaon at 38%.
- According to a JLL Report, Delhi-NCR witnessed a 5% increase in net absorption of office space in the first quarter of FY20 on a QoQ basis with 1.07 million sq. ft.
- India's flexible space stock is likely to expand by 10-15% YoY, from the current 36 million sq. ft., in the next three years, according to a report by CBRE.
- In the top seven cities, housing sales increased by 29% and new launches by 51% in the fourth quarter of FY21. Delhi-NCR, Mumbai, Bengaluru and Pune together accounted for 83% sales in the same quarter.
- The performance of micro-markets in the Delhi-NCR region, including Noida and Gurgaon, posted a double-digit expansion in property appreciation prices with 11% and 13%, respectively, growth.
- To establish an investment platform for the Indian retail-led mixed-use assets, in June 2021, GIC announced to acquire a minority stake in Phoenix Mills's portfolio (worth US\$ 733 million).
- In May 2021, Blackstone Real Estate acquired Embassy Industrial Parks for Rs. 5,250 crore (US\$ 716.49 million) to expand its presence in the country.
- To expand into the Indian real estate market, SRAM & MRAM Group collaborated with Area CAS Developers and Infrastructure Private Limited (Area Group), and Gupta Builders and Promoters Private Limited (GBP Group) of India. It plans to invest US\$ 100 million in the real estate sector.
- According to Anarock, housing sales in seven cities increased by 29% and new launches by 51% in Q4 FY21 over Q4 FY20
- Demand for residential real estate revived in Q4 FY21 as homebuyers took advantage of low mortgage rates and incentives rendered by developers. Residential sales in this quarter recovered to >90% volumes recorded in 2020 across the top seven cities.



- Blackstone is one of the largest private market investors in India, managing about Rs. 3,694 crore (US\$ 50 billion) of market value in the real estate sector. The company anticipates investing >Rs. 1,625 crore (US\$ 22 billion) in the next 10 years.
- In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below Rs. 40-50 lakh is expected to rise in Tier 2 and 3 cities, leading to an increase in prices in those geographies.
- In April 2021, HDFC Capital Advisors (HDFC Capital) partnered with Cerberus Capital Management (Cerberus) to create a platform that will focus on high-yield opportunities in the residential real estate sector in India. The platform seeks to purchase inventory and provide last-mile funding for under construction residential projects across the country.
- In March 2021, Godrej Properties announced it would launch 10 new real estate projects in Q4.
- In March 2021, Godrej Properties increased its equity stake in Godrej Realty from 51% to 100% by acquiring equity shares from HDFC Venture Trustee Company.
- In January 2021, SOBHA Limited's wholly owned subsidiary, Sabha Highrise Ventures Pvt. Ltd. acquired 100% share in Annalakshmi Land Developers Pvt. Ltd.
- In November 2020, Accor, a leading hospitality group, to launch seven new properties in India by 2022.
- In November 2020, Prestige Estates Projects Ltd. sold a large portfolio of office, retail and hotel properties to Blackstone for Rs. 12,745 crore (US\$ 1.7 billion).
- In November 2020, Taj Group partnered with real estate company AmbujaNeotia Group to launch three new hotels—two in Kolkata and one in Patna.
- The Godrej Group has forayed into the financial services industry with Godrej Housing Finance (GHF) through which it hopes to build a long-term and sustainable retail financial services business in India, aiming for a balance sheet of Rs. 10,000 crore (US\$ 1.35 billion) in the next three years.
- In October 2020, Brookfield Asset Management made a massive investments in India through a US\$ 2 billion real estate deal. Brookfield will buy 12.5 million square feet of commercial real estate assets from privately held developer RMZ Corp. The purchase includes rent-yielding office space and commercial co-working space.
- In October 2020, Rajasthan-based realty developer, Bhumika Group, announced its plans to invest Rs. 450 crore (US\$ 60.81 million) in two residential and one retail project in Udaipur, Alwar and Jaipur, respectively.
- In October 2020, Australia's REA Group Ltd. announced its agreement to acquire a controlling interest in Elara Technologies Pte. Ltd, the owner of Housing.com, PropTiger.com and Makaan.com.
- In September 2020, RMZ Corp. sold 12.8 million square feet real estate assets to a fund managed by the Brookfield Asset Management for Rs. 15,000 (US\$ 2 billion).
- According to the property consultant, Anarock, India is likely to have 100 new malls by 2022. Of this number, 69 malls in will be built in the top seven metropolis and the remaining 31 malls will be in Tier 2 & 3 cities.
- In March 2020, the Government approved proposals from TCS and DLF to set up SEZs for IT sector in Haryana and Uttar Pradesh.
- In January 2020, RMZ Corp entered into a strategic and equal partnership with Mitsui Fudosan (Asia) Pte Ltd to expand its business footprint.

### **Government policies are helping the real estate sector prosper**

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.
- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US\$ 271,450.60) from November 12, 2020 to June 30, 2021).
- In October 2020, the Ministry of Housing and Urban Affairs (MoHUA) launched an affordable rental housing complex portal.
- On October 27, 2020, the government announced the application of Real Estate (Regulation & Development) Act, 2016 in the union territory of Jammu & Kashmir. This has paved the way for any Indian citizen to buy non-agricultural land and property, as opposed to the eligibility of only local residents earlier.
- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of Rs. 25,000 crore (US\$ 3.58 billion) alternative investment fund (AIF).



- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of Rs. 10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.
- As of January 31, 2021, India formally approved 425 SEZs, of which 265 were already operational. Most special economic zones (SEZs) are in the IT/ BPM sector.

## 1

### Ease in housing finance

- In order to boost affordable real estate, housing loans up to Rs. 3.5 million (US\$ 54,306) in metro cities were included in priority sector lending by the RBI in June 2019. Loans under priority sector lending are relatively cheaper. Housing loans account for more than half of retail loans.

## 2

### Housing for economically weaker section

- On July 09, 2020, Union Cabinet approved the development of Affordable Rental Housing Complexes (AHRCs) for urban migrants and poor as a sub-scheme under Pradhan Mantri Awas Yojana - Urban (PMAY-U).
- In October 2020, the Ministry of Housing and Urban Affairs (MoHUA) launched an affordable rental housing complex portal.

## 3

### FDI

- The Government has allowed 100% FDI for townships and settlements development projects.
- Provision for reduction in minimum capitalisation for FDI investment from US\$ 10 million to US\$ 5 million to boost urbanisation.
- In January 2018, the Government allowed 100% FDI in single-brand retail trading and construction development without Government approvals.
- Indian real estate is expected to attract a substantial amount of FDI over the next two years, with US\$ 8 billion capital infusion by FY22.

## 4

### Land Acquisition Bill

- In December 2014, the Government passed an ordinance amending the Land Acquisition Bill.
- This ordinance is intended to speed up the process for industrial corridors, social infra, rural infra, housing for the poor and defence capabilities.

## 5

### REITs

- Real Estate Investment Trusts (REITs) in non-residential segment will open channels for both commercial and infrastructure sector. In March 2019, Embassy Office Parks, India's first REIT, went public.
- First REIT raised Rs. 4,750 crore (US\$ 679.64 million) and was launched in early 2019 by global investment firm, Blackstone, and realty firm, Embassy group.
- In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US\$ 685.28) to Rs. 10,000-15,000 (US\$ 137.06 - US\$ 205.59) to make the market more accessible to small and retail investors.

## 6

### Govt-backed Stress Fund

- The Special Window for Completion of Construction of Affordable and Mid-Income Housing (SWAMIH I) supported housing projects have started witnessing fresh sales and collection of dues from existing homebuyers. In November 2020, SBICAP Ventures Ltd. managed fund cleared investments worth >Rs. 13,200 crore (US\$ 1.78 billion) for 136 projects and has started deploying funds across 36 projects

## 7

### Stamp Duty

- The Ministry of Housing and Urban Affairs has recommended all the states to consider reducing stamp duty of property transactions in a bid to push real estate activity, generate more revenue and aid economic growth.
- National Real Estate Development Council – Maharashtra announced zero stamp duty on housing sales until December 31, 2020.

## 8

### Tax Relief

- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US\$ 271,450.60) from November 12, 2020, to June 30, 2021.
- Buyers have been allowed to purchase homes at 20% below the circle rate without attracting any tax penalties.

## 9

### Construction Premiums

- Construction premiums and levies in Maharashtra account for >30% of the total project cost.
- In a bid to boost the real estate sector amid the pandemic, construction premiums and levies payable by builders in Maharashtra are set to be halved for one year until December 31, 2021.

## 10

### J&K's New Land Law

- On October 27, 2020, the government announced the application of Real Estate (Regulation & Development) Act, 2016 in the union territory of Jammu & Kashmir. This has paved the way for any Indian citizen to buy non-agricultural land and property, as opposed to the eligibility of only local residents earlier.

## 11

### Green Building Movement

- With 6,548 registered green building projects, India is among one of the three countries that have a green building footprint.
- Indian Institute of Architects (IIA) and CII-Indian Green Building Council (IGBC) signed a MoU to boost green building movement in the area of architectural design and planning.

### Road Ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth Rs. 1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with US\$ 8 billion capital infusion by FY22.

#### **Top cities to contribute to growth**

<b>Ahmedabad</b>	<ul style="list-style-type: none"> <li>Upcoming office space likely to boost hospitality segment.</li> </ul>
<b>Bengaluru</b>	<ul style="list-style-type: none"> <li>Corporate clients expected to provide steady growth to room demand.</li> </ul>
<b>Chennai</b>	<ul style="list-style-type: none"> <li>Emerging as promising commercial destination with Chennai-Bengaluru Industrial Corridor - likely to witness strong demand.</li> </ul>
<b>Hyderabad</b>	<ul style="list-style-type: none"> <li>Room demand is expected to be driven by commercial and office space projects in the city.</li> </ul>
<b>Kolkata</b>	<ul style="list-style-type: none"> <li>Projects like Light Rail Transport System, Monorail, Eco-Park, and Airport expansion are likely to boost travel, which will result in increase in demand for the hotel industry.</li> </ul>
<b>Mumbai</b>	<ul style="list-style-type: none"> <li>Improved infrastructure, new airport terminal and upcoming airport in Navi Mumbai is expected to drive hotel industry's growth.</li> </ul>
<b>NCR</b>	<ul style="list-style-type: none"> <li>As per the ANAROCK report, between July 2020 and March 2021, housing sales in the NCR stood at 21,750 units, of which 85% were first-time homebuyers. This indicates positive outlook for rising demand in the real estate market.</li> </ul>
<b>Pune</b>	<ul style="list-style-type: none"> <li>IT parks are attracting global players and increasing traffic. New business units are likely to increase business conferences and events, which in turn will boost the demand for hotels.</li> </ul>

According to Knight Frank report, Delhi was ranked 27th, while Mumbai and Bengaluru were placed at the 33rd and 34th positions, respectively, in a global index that measures annual price appreciation of luxury residential properties from July 2020 to September 2020 (the third quarter).

#### **Niche sectors expected to provide growth opportunities**

## 1. Flex Space Segment

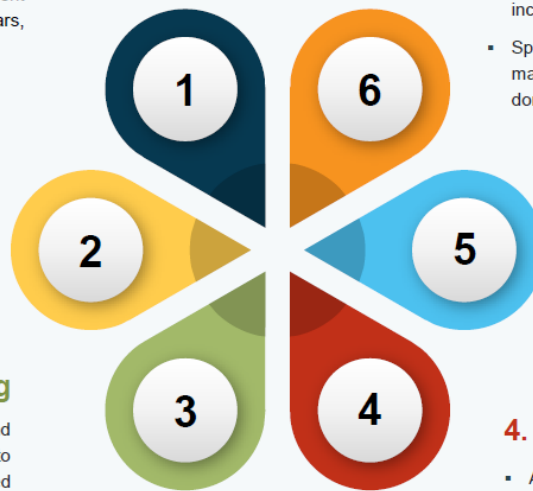
- India's flexible space stock is likely to expand by 10-15% YoY, from the current 36 million sq. ft., in the next three years, according to a report by CBRE.

## 2. Healthcare

- The healthcare market is expected to reach US\$ 372 billion by 2022.
- India needs to add 2 million hospital beds to meet the global average of 2.6 for every 1,000 people.

## 3. Senior citizen housing

- Emergence of nuclear families and growing urbanisation have given rise to several townships that are developed to take care of the elderly.
- The segment in India can reach US\$ 7.7 billion in market size by 2030 according to a study by the Ministry of Commerce and Industry.



## 6. Hotels

- FTAs in India is expected to reach 15.3 million by 2025, which is expected to lead to an increase in demand for hotels.
- Spiritual tourism is one of the biggest untapped markets for domestic travel; nearly 60% of domestic tourism in India is religion-based.

## 5. Service apartments

- Growth in the number of tourists has resulted in demand for service apartments.
- This demand is likely to grow and presents opportunity for the unorganised sector.

## 4. Smaller office spaces

- As work from home and office has become the new normal, many companies are now shifting to smaller workspaces.
- This transition is now helping revive the real estate economy that has come to a standstill in the last six months due to COVID-19.

Source: [https://www.ibef.org/download/1661494149\\_Real-Estate-July-2022.pdf](https://www.ibef.org/download/1661494149_Real-Estate-July-2022.pdf)

## TOURISM & HOSPITALITY INDUSTRY IN INDIA

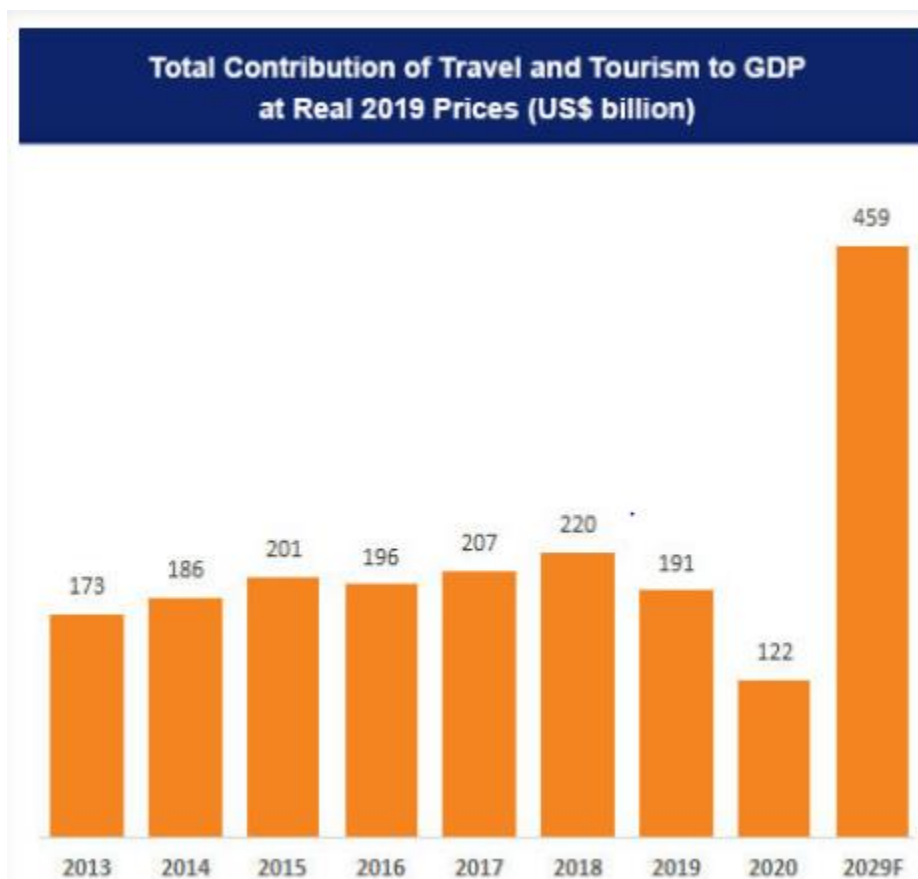
### INTRODUCTION

With a total area of 3,287,263 sq. km extending from the snow-covered himalayan heights to the tropical rain forests of the south, India has a rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. This provides a significant opportunity to fully exploit the potential of the tourism sector.

India being one the most popular travel destinations across the globe has resulted in the Indian tourism and hospitality industry to emerge as one of the key drivers of growth among the services sector in India. Tourism industry in India has significant potential considering the Tourism is an important source of foreign exchange in India similar to many other countries. The foreign exchange earnings from 2016 to 2019 grew at a CAGR of 7% but dipped in 2020 due to the COVID-19 pandemic.

It is widely acknowledged that the tourist and hospitality sector, which encompasses travel and hospitality services like hotels and restaurants, is a development agent, a catalyst for socioeconomic growth, and a significant source of foreign exchange gains in many countries. India's rich and exquisite history, culture, and diversity is showcased through tourism while also providing significant economic benefits. The consistent efforts of the central and the state governments has helped the tourism industry to recover from the covid-19 pandemic shock and operate at the pre pandemic level.

## MARKET SIZE



According to WTTC, India is ranked 10th among 185 countries in terms of travel & tourism's total contribution to GDP in 2019. During 2019, contribution of travel & tourism to GDP was 6.8% of the total economy, Rs. 1,368,100 crore (US\$ 194.30 billion). In 2020, the Indian tourism sector accounted for 39 million jobs, which was 8% of the total employment in the country.

The travel market in India is projected to reach US\$ 125 billion by FY27 from an estimated US\$ 75 billion in FY20. The Indian airline travel market was estimated at ~US\$ 20 billion and is projected to double in size by FY27 due to improving airport infrastructure and growing access to passports. The Indian hotel market including domestic, inbound and outbound was estimated at ~US\$ 32 billion in FY20 and is expected to reach ~US\$ 52 billion by FY27, driven by the surging demand from travelers and sustained efforts of travel agents to boost the market.

By 2028, international tourist arrivals are expected to reach 30.5 billion and generate revenue over US\$ 59 billion. However, domestic tourists are expected to drive the growth, post pandemic. International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector of India by 2020 and 50% by 2022. FTAs during the period January-May, 2022 were 1,601,381 as compared to 437,225 in May 2021 registering a positive growth of 266.3%. The percentage share of Foreign Tourist Arrivals in India during May 2022 among the top 15 source countries was highest from USA (27.80%) followed by Bangladesh (23.47%), UK (7.58%), Australia (4.02%), Canada (3.65%), Sri Lanka (2.84%), Singapore (2.36%), Nepal (2.12%), Malaysia (1.66%), Germany (1.65%), France (1.47%), Maldives (1.26%), Portugal (1.13%), Oman (1.13%) and Korea (Rep of) (0.85%).

## INVESTMENTS/DEVELOPMENTS

- FDI inflows in the Tourism & Hospitality sector reached US\$ 16.38 billion between April 2000- March 2022.

- A total of 46,873 accommodation units (both classified and unclassified) have been registered on the National Integrated Database of Hospitality Industry (NIDHI) portal and 11140 units have self-certified for SAATHI standards.
- Hospitality unicorn OYO has acquired Europe-based vacation rental company Direct Booker for US\$ 5.5 million in May 2022.
- Accor, a French hospitality major will expand its India's portfolio by adding nine additional hotels in the mid-scale and economy categories, bringing the total number of hotels 54 in India.
- The Medical Tourism sector is expected to increase at a CAGR of 21.1% from 2020-2027.
- India was globally the third largest in terms of investment in travel and tourism with an inflow of US\$ 45.7 billion in 2018, accounting for 5.9% of the total investment in the country.
- Indian government has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31. Dream Hotel Group plans to invest around US\$300 million in the next 3-5 years for the development of the cruise sector in India.
- India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking, and experiencing a journey. India's rising middle class and increasing disposable income has supported the growth of domestic and outbound tourism.
- The United Nations World Tourism Organisation selected Pochampally in Telangana as one of the best tourism villages in November 2021.

## GOVERNMENT INITIATIVES

The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives planned by the Government of India to boost the tourism and hospitality sector of India are as follows:

- In the Union Budget 2022-23:
  - ✓ Rs. 2,400 crore (US\$ 309.13 million) has been allocated to the Ministry of Tourism which is 18.42 %higher than the allocation for FY 2021-22.
  - ✓ Rs. 1,181.30 crore (US\$ 152.16 million) is allocated for the Swadesh Darshan Scheme.
  - ✓ Rs. 235 crore (US\$ 30.27 million) for the Pilgrimage Rejuvenation and Spiritual and Heritage Augmentation Drive (PRASHAD) Scheme.
- In August 2022, Ministry of Tourism sanctioned 76 projects for Rs. 5,399.15 crore (US\$ 678.39 million) under Swadesh Darshan Scheme for development of tourism infrastructure in the country.
- In June 2022, the Ministry of Tourism along with Associations of Indian Universities (AIU) initiated a 12 episode webinar series under 'Azadi Ka Amrut Mahotsav' (AKAM) to engage and expose young minds of our country to the rich and diverse heritage of the country.
- Till the end of June 2022, a total of 142 Dekho Apna Desh webinars have been organized by Ministry of Tourism.
- The Ministry of Tourism has launched the National Strategy for Sustainable Tourism and Responsible Traveller Campaign in June 2022.
- From November 15, 2021, India allowed fully vaccinated foreign tourists to visit India, which in turn will help revive the Indian travel and hospitality sector.
- In November 2021, the Ministry of Tourism signed a Memorandum of Understanding (MoU) with Indian Railway Catering and Tourism Corporation to strengthen hospitality and tourism industry. The ministry has also signed a MoU with Easy My Trip, Cleartrip, Yatra.com, Make My Trip and Goibibo.
- In November 2021, the Indian government planned a conference to boost film tourism in the country with an aim to establish domestic spots as preferred filming destinations. This move is expected to create jobs and boost tourism in the country.
- In September 2021, the government launched NIDHI 2.0 (National Integrated Database of Hospitality Industry) scheme which will maintain a database of hospitality sector components such as accommodation units, travel agents, tour operators, & others. NIDHI 2.0 will facilitate the digitalisation of the tourism sector by encouraging all hotels to register themselves on the platform.
- Government is planning to boost the tourism in India by leveraging on the lighthouses in the country. 71 lighthouses have been identified for development as tourist spots.
- The Ministry of Road Transport and Highways has introduced a new scheme called 'All India Tourist Vehicles Authorisation and Permit Rules, 2021', in which a tourist vehicle operator can register online for All India Tourist Authorisation/Permit. This permit will be issued within 30 days of submitting the application.

- The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country.
- During 2019-20, an additional fund Rs. 1,854.67 crore (US\$ 269.22 million) was sanctioned for new projects under the Swadesh Darshan scheme.
- Ministry of Tourism sanctioned 18 projects covering all the North Eastern States for Rs. 1,456 crore (US\$ 211.35 million) to develop and promote of tourism in the region under Swadesh Darshan and PRASHAD schemes.
- Statue of Sardar Vallabhbhai Patel, also known as ‘State of Unity’, was inaugurated in October 2018 and the total revenue generated till November 2019 stood at Rs. 82.51 crore (US\$ 11.81 million).

## **STATE GOVERNMENT INITIATIVES**

- In October 2021, the Tripura government collaborated with Infovalley Educational & Research (P) Ltd. as part of a public-private partnership (PPP) to run the State Institute of Hotel Management (SIHM). Through the SIHM, the government aims to empower the youth and contribute to the growth of hotels and hospitality management in the state.
- The Ministry of Tourism sanctioned three projects for a total amount of Rs. 179.68 crore (US\$ 24.24 million) under the Swadesh Darshan scheme in Gujarat. The Ministry of Tourism has approved 16 projects for over Rs. 1300 crore (US\$ 171.2 million) in India's North East under the “Swadesh Darshan” Scheme.
- In July 2021, the Tamil Nadu state government decided to implement an integrated mega tourism plan, which included new lighting arrangements for the Thiruvalluvar statue at Kanyakumari, starting renovations at Poompuhar tourist spot and improving roads leading to tourist spots, spiritual places and adventure tourism spots. It also includes unveiling a new tourism policy, establishing more hotels, resorts, and convention centres and increasing contribution of public and private sectors in the tourism sector.
- In July 2021, Andhra Pradesh Tourism Authority urged stakeholders in the tourism sector in the state to register with the Andhra Pradesh Tourism under the Tourism Trade Registration and Facilitation Guidelines 2020.

## **ROAD AHEAD**

Staycation is seen as an emerging trend where people stay at luxurious hotels to revive themselves of stress in a peaceful getaway. To cater to such needs, major hotel chains such as Marriott International, IHG Hotels & Resorts and Oberoi hotels are introducing staycation offers where guests can choose from a host of curated experiences, within the hotel. India's travel and tourism industry has huge growth potential. The industry is also looking forward to the expansion of e-Visa scheme, which is expected to double the tourist inflow in India. India's travel and tourism industry has the potential to expand by 2.5% on the back of higher budgetary allocation and low-cost healthcare facility according to a joint study conducted by Assocham and Yes Bank.

It is irrefutable that the tourist industry is becoming a more significant economic force and has the potential to be used as a tool for development. The tourist industry not only drives growth, but it also raises people's standards of living with its ability to provide significant amount of diverse employment opportunities. It promotes environmental preservation, champions diverse cultural heritage, and bolsters international peace. By 2028, Indian tourism and hospitality is expected to earn US\$ 50.9 billion as visitor exports compared with US\$ 28.9 billion in 2018.

## BUSINESS OVERVIEW

*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. In this section, a reference to the “Company” or “we”, “us” or “our” means San Trica Realtors Limited.*

*All financial information included herein is based on our “Restated Financial information” included on page 163 of this Draft Prospectus.*

### Overview

We are an integrated service provider in hospitality and real estate sector. Our Company was originally incorporated as San Trica Realtors Pvt. Ltd. on April 09, 2007 in Mumbai, Maharashtra under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra. Subsequently the name of the company was changed from “San Trica Realtors Private Limited” to “San Trica Realtors Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on December 24, 2021 and had obtained fresh certificate of incorporation January 19, 2022 issued by the Registrar of Companies, Mumbai. The CIN of our Company is U55100MH2007PLC169803.

Our Company provides restaurant and hotel services. Our Company, with the leadership of our Directors, hand bagged India’s first single largest valued auction in co-operative sector in 2007 through which the Company got its first project of “Hotel Ranjeet”. Originally the hotel had 1 (one) Restaurant, 3 (three) Banquets and 22 (twenty two) Rooms. The hotel is located at a prime location with footholds of famous personalities. It is located in Bhandarkar road, Deccan Gymkhana, Pune and built on an area of about 9,423 sq. ft. i.e. 1170 Sq. meters. The hotel offers multicuisine restaurants, two floors equipped with banqueting facilities, swimming pool, gym and along with a spa. The Hotel also has private dining spaces, and exclusive open-air lawn spaces for banquets. The hotel is situated on the ground floor with approx. 2500 sq.ft. of covered space and 4500 sq.ft. of open space on the left side and back side of the building premises. Our hotel platform emphasizes on strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, our Group has developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at prominent locations with high barriers-to-entry and in large density business districts of their respective metro cities, according to the Horwath report. We generally develop our hotels on large land parcels, allowing us to accommodate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and multicuisine restaurants, large banquet and outdoor spaces. We endeavour to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments in a efficient gross built up area and development cost per key.

We believe we have a competitive advantage in the cities of Pune and Mumbai extending upto the district of Palghar as well due to reasons as we listed below:

- We believe that significant time outlay required to build and establish a profitable hotel or commercial project.
- Our early mover advantage in large, mixed-use developments in specific micro-markets and availability of unutilized land at certain of our hotel properties to further expand our operations, among others.

We follow an active asset management model for our hotels operated by third parties, pursuant to which we closely monitor, and exercise regular oversight over the performance of our hotel properties. Among other things, we discuss



and agree on budgeting and operational and financial targets, review performance reports, engage with the hotel management team at each hotel by conducting detailed monthly performance review meetings and provide regular inputs on cost saving initiatives and potential improvements. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters.

In the sector of hospitality, our Promoter had envisioned about our very first day picnic resort with unique activities like water sports and Adventure sports in North Mumbai suburban Beach which today stands in the name 'Arnala Beach Resort'. Subsequently our promoter planned further expansion and invented the brand as 'Hotel Martins Inn' with the company based in 'Martins Ville' in Virginia USA, in view of franchising the mid segment hotels in India. In 2007, after winning a tender of hotel Ranjeet promoters started an ownership beach front luxury hotel named as hotel Martins Inn Arnala. Shortly after it, they expanded the brand operations at Boisar by starting a business category hotel named 'Martins Inn Boisar' with Joint Venture. Now we are planning to grow in the similar sector with quiet modernized concepts in the digitalized era having solutions of asset lite Models Even for "Hotels". Our group i.e. Nidaan Group have well explored the real estate sector since 1999. Having versatile experience in sectors like residential & commercial projects across different cities including, Mumbai, Pune and Vasai Virar in Palghar district.

The Promoter has initially ventured into real estate by undertaking a project in one of the most difficult segment i.e. SRA and at the same time working in the most difficult area in the SRA segment which was Dharavi Slum Rehabilitation Area with the proprietary brand Akanksha Developers. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

We are part of Nidaan Group which we believe that is one of the leading business groups in Maharashtra, India and we believe that we derive significant benefit from the confidence that consumers, lenders, hospitality partners, vendors and others place in the group. The companies forming part of the Nidaan Group have extensive experience in developing large scale real estate, hospitality and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoter and Key Management Personnel have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning as well as our hotel and retail businesses. We have a strong management team with significant industry experience. Our Key Management Personnel and senior management include qualified professionals and industry experts with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality.

Financial Snapshot of our Company as per Restated Standalone Financial Statements is as under

(Rs. in Lacs)

Particulars	As At June 30 <sup>th</sup> 2022	For the period ended March 31 <sup>st</sup> .		
		2022	2021	2020
Revenue from Operations	420.91	521.76	137.14	213.66
Total Revenue	436.84	521.76	137.23	214.29
EBITDA	296.10	325.79	(7.33)	100.84
PAT	256.72	155.44	(190.23)	(105.76)

## Business Activities

### **Hotel Business: Hotel Ranjeet**

The hotel initially had 1(one) Restaurant, 3 (three) Banquets and 22 (twenty two) Rooms. The hotel is located at a prime location with footholds of famous personalities. It is located in Bhandarkar road, Deccan Gymkhana, Pune and built on an area of about 9,423 sq. ft. i.e. 1170 Sq. meters. The hotel offers specialty restaurants, two floors of banqueting facilities, swimming pool, gym and along with a spa. Also, the Hotel has private dining spaces, and exclusive open-air lawn spaces for banquets. The hotel is situated on the ground floor with approx. 2500 sq.ft. of covered space and 4500 sq.ft. of open space on the left side and back side of the building premises.



### **Real Estate Business:**

The Group has undergone major transformation from being a land aggregator/ purchaser/ investor to now successfully developing, finishing and handing over our own Residential & Commercial projects. We have successfully completed varied residential housing development projects across the spectrum right from slum redevelopment projects, and redevelopment projects to completely new Development projects in and around Pune, Mumbai & suburbs of Mumbai. Ever enthusiastic in exploring newer horizons, our Company started their real estate business and became the premier developers. The core focus of our Company is on creating quality living spaces and at the same time providing the best value for investment for homebuyers. Here perfection is a commitment and this reflects in every stage of the real estate business from planning and construction to property management and customer service.

Besides undertaking residential and commercial projects, our Company is planning to diversify into hotels, IT parks, malls, farm houses and other infrastructural developments. Guided by its vision, fueled by enthusiasm, strengthened by a strong work force and equipped with advanced building technologies, our Company is committed to shaping the future of homes not just in Pune, but also apartments in Mumbai and Vasai Virar in Palghar district.

Some of the major projects undertaken:

	<p><b>AKANKSHA RASHMI EVERSHINE GARDEN, VASAI (E), PALGHAR:</b></p> <ol style="list-style-type: none"> <li>1. A residential and commercial project located in an elite township at Vasai (E) in Evershine city having 300 flats and few shops.</li> </ol>
	<p><b>AKANKSHA PRIMA, KOTHRUD, PUNE:</b></p> <ol style="list-style-type: none"> <li>1. It is a redevelopment scheme.</li> <li>2. A purely residential scheme at convenient location in Kothru.</li> <li>3. Iconic project in respect to design, quality of Construction and Amenities</li> </ol>
	<p><b>AKANKSHA LAXMAN ARCADE, DHARAVI, MUMBAI:</b></p> <ol style="list-style-type: none"> <li>1. It is one of the very initial projects under S.R.A.</li> <li>2. It is one of its kind where all the residential and commercial units were Rehabilitated with proper planning and execution.</li> <li>3. The project which was started for almost 10 yrs by unsuccessful attempts of many renowned developers was completed in Rapid speed and with great satisfaction of slum dwellers.</li> </ol>
	<p><b>AKANKSHA ELITE, BOLINJ (VIRAR), PALGHAR</b></p> <ol style="list-style-type: none"> <li>1. Akanksha Elite is a high class project consisting of commercial building &amp; residential building.</li> <li>2. The ultramodern project is specially designed for rich class. The project is guarded by old Bolinj Road from East &amp; New 100 ft. D. P. Road from North. The area is fully surrounded by old whistling palms and the Arabian sea.</li> </ol>

## **Our Strengths**

We believe the following Competitive strengths contribute to our success and position us well for future growth:

### ***Brand Image Backed by Service***

We have an established accredited name and reputation for quality in our industry and we have gained significant experience and have established track record and reputation for efficient project management, execution and timely completion of projects in the real estate sector. We believe that our expertise in successful and timely implementation of projects provides us with significant competitive advantages. The Promoter Group has a strong presence in the real estate market at Maharashtra which provides us with significant competitive advantages.

### ***Backed by leading Indian real estate developer***

We are part of Nidaan group which is one of the leading business groups in Maharashtra and we believe that we derive significant benefit from the confidence that consumers, lenders, commercial partners, vendors and others place in the group. Our Group have extensive experience in developing real estate and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies to develop hotels at optimal cost and quality.

## **Our Strategies:**

Our objective is to enhance our market leadership among real estate companies and Hotel Industry and deliver superior profitability. In order to achieve our goals, we plan to pursue the following strategies:

### ***Customer Satisfaction***

The Business of our Company is customer oriented and always strives to maintain good relationship with the customers. Our Company provides quality services which ensure that the customers are satisfied with the services and do not have any complain. We believe that with the growth in the economy and our business segment we shall be successful in our efforts to expand our client base.

### ***Brand Image***

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

### ***We are going to cross leverage our Hospitality and real estate service to benefit both wings of Business:***

Our Group has already engraved milestones in Real estate sectors and now is expanding its wings into Hospitality sector with San Trica Realtors Limited.

### ***Reduction of funding costs***

We source funding for our projects primarily through unsecured loan and loan from Non Banking finance Companies. We intend to continue to evaluate various funding mechanisms which will enable us to enhance our credit rating and in turn reduce our borrowing cost and improve our liquidity position. Further, we will explore options for refinancing certain of our loans to lower our borrowing cost and improve cash flows. Further, in future if our requirement for fund increases we will explore various options from financial institutions and banks at competitive rates which may not increase our borrowing cost.

### ***Improve performance and enhance returns from our core business***

We will continue to focus on maximizing returns from each of our projects. In order to continue to improve performance and enhance returns from our residential and commercial projects and Hotel business, we intend to:

- Adopt the best of the evolving technologies in collection of construction and other business processes,
- Continue to complete Residential & Commercial projects on or before time to increase revenues.
- Expand our Hotel business

#### ***Attracting and retaining the highest quality professionals***

In service industry employees are the most valuable asset of the company and the reputation of the company will be built up by the management team. The dedication of the employees, professional skill, integrity and technical analytical mind results in success and growth of business. The well informed, technically and professionally qualified employee will help the clients to take correct decision and thereby we can retain the clients and increase our clientele through mouth to mouth publicity of our company. We intend to continue to seek out talent to further enhance and grow our business.

#### ***Leveraging our market skills and relationship***

Leveraging our market skill and relationships is a continuous process in our organization and the skill that we impart in our people give importance to customers. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction.

#### ***Optimal Utilization of Resources***

Our Company constantly endeavors to improve our service process, and will increase our construction activity to optimize the utilization of resources. We have invested resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

#### ***Improve operating efficiencies to increase returns***

Our Company intends to improve functional efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous improvement in customer service. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees. We intend to continue to actively manage our operating costs to improve margins through the following measures, among others:

- improve staff productivity and efficiency to reduce payroll costs per room through the use of new technology, streamlined management systems, comprehensive training and performance-linked compensation;
- implement energy saving initiatives that are both cost-efficient and environmentally friendly;
- improve margins in revenue generating departments such as telecommunications, restaurants, laundry, spa operations and transportation; and
- reduce average per room costs for head office operations, sales and marketing, loyalty program expenses, among others, through the expansion of our network, hotels and rooms.

**Strong Promoter & Management Team**

- Dr. Nitin Thorave a veteran Personality having Versatile Experience in Variety of Business Right from Healthcare, to Hospitality
- Renal Estate has been one of the most favorite & Successful Venture which is Its Backed by Robust Management Team

**Robust Infrastructure**

- In the Infrastructure like Quality of Construction along with Classic & Most Modern Interior Planning with the Best Possible Automation is Key in the Hotel Buildings as well as Constructed sale Units in Real Estate

**End-to-End Service Offering**

- The DNA of Nidan Gorup has been always proved as Customer centric Which not only offers Quality Services But postsale Services In Healthcare, Hospitality and Real Estate Sector too

**Locations**

- It is one of the Key Factor for Selection of the Properties as Hotel Ranjeet is at Deccan Gymkhana which is a Heart of Pune City also Hotel Martins Inn, Arnala Beach Resort are at Beach of Arabian Sea or other Associated Hotels also at Prominent Locations.
- Also the Majority of Real Estate Sites are at Very Convenient Locations in order to Have Comfortable Family Stay

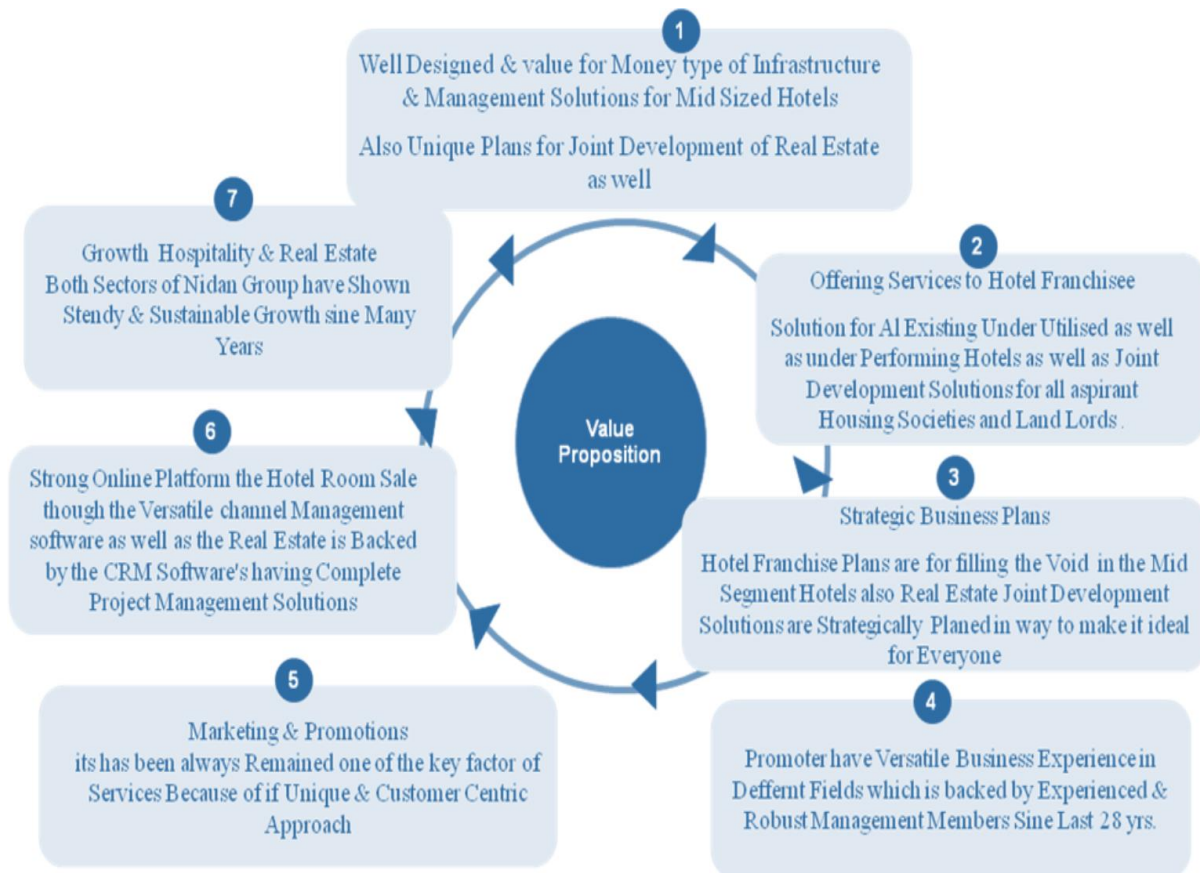
**Strong Marketing Program**

- Maximum of our Hotel Rooms or Program sites Are Always Occupied as we offer Various Attractive Customer Centric Schemes for them
- Even Comfortable sites are always preferred for pre-booking because of Unique way of Marketing

**Online Diagnostic Brand Having Unique CSR activities**

- Our Group has been always Active in offering our Social Responsibilities at Various Occasions for Needy peoples
- Covid Era was one of the Largest Landmark for it as all know more than 30 thousand Patients were Successfully treated with our initiative





## SWOT ANALYSIS:

### Strengths

- ✓ Brand Image Backed by Service
- ✓ Cordial relations with Customers
- ✓ Proven track record
- ✓ Warm, attentive and friendly Service
- ✓ Backed by leading Indian real estate developer

### Weaknesses

- ✓ Dependent upon growth in infrastructure & hospitality industry
- ✓ Surge in finance needed to cope up with the increased demand.

### Opportunities

- ✓ Government's drive to infrastructure up gradation
- ✓ Rapid urbanization and growth in infrastructure.
- ✓ Higher demand for Affordable flats attracting middle and higher earning group in the region.
- ✓ Significant growth potential in the real estate industry in and around Maharashtra.
- ✓ Upcoming auto hub.
- ✓ Expand Business to the new locations
- ✓ Explore niche tourism products- cruises, adventure, medical, wellness, sports, eco tourism

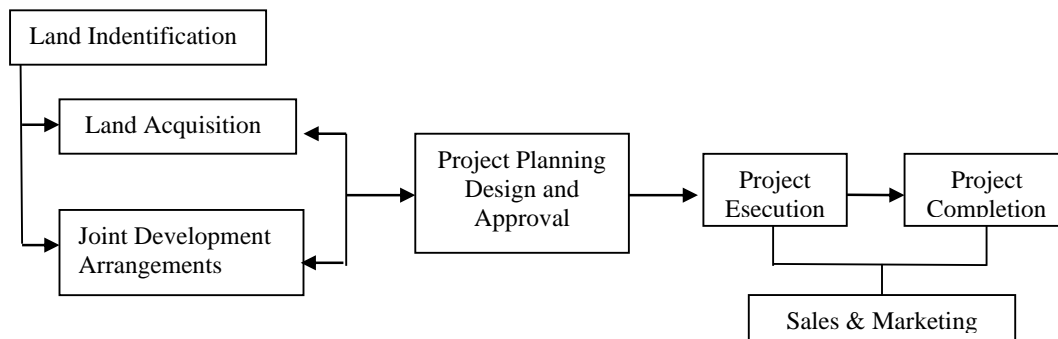
### Threats

- ✓ Industry is prone to changes in government policies; any material changes in the duty or international raw material prices may adversely impact our financials.

- ✓ There are no entry barriers in our industry, which puts us to the threat of competition from new entrants.
- ✓ Upcoming international hotel brands in close proximity.
- ✓ Increased hotel development in the catchment area targeting the same market.

## BUSINESS PROCESS:

The process of real estate development can be divided into distinct stages of activity. These stages are as follows:



### a. Land Identification and Acquisition:

We have developed specific procedures to identify land that is suitable for our needs and perform ongoing market research to determine demand for residential properties. Our land acquisition process is overseen by our top management. The process of land acquisition begins with the identification of appropriate locations based on locations where we sense business opportunities based on the assessment report prepared. Other determining factors include a site's accessibility from nearby roads and major thoroughfares and the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems. We also take into consideration general economic conditions and anticipated demand for residential properties in a particular area, the overall competitive landscape and the neighboring environment and amenities.

We also consider the feasibility of obtaining required governmental licenses, permits, and authorizations and adding necessary improvements and infrastructure, including sewage works, roads and electricity against a purchase price that will maximize margins this also helps in determining the product postponing, corresponding price point and sales potential.

We also have a team of professionals who are continuously seeking to acquire developable land in desirable locations on which to construct projects. This team closely works with the various property consultants, advisory bodies, local architects and consultants who provide information regarding the availability of land, development restrictions, planned developments and market trends specific to the location.

### b. Project Planning, Designing and Approvals:

We coordinate with architects for our projects. Our team is responsible for budgeting, planning, contracting and tracking the execution of projects. Our top management is actively involved in execution of projects. We collaborate with well-knowarchitecs for our projects. We benefit from long-term and established relationships with several architects and labor contractors. The work performed by these third parties mst comply with specifications provided by use and, in all cases, is subject to our review.

The design includes master planning landscaping and phasing of development with orientation of buildings. At the conceptual design stage, detailed analysis is done t evaluate criteria such as building desing and layout, sub-soil conditions, geological data, building selection, site egress and access to arrive at the optimal design and Orientation of our projects. The final decision on the conceptualization of project and the development f each property is made by our top management.

Before the execution process the final stage commences with the obtaining of requisite statutory and regulatory approvals, including environmental approvals, of building plans, layout occasionally approvals for conversion of



agricultural land to commercial of residential land. We hire architects, engineers and legal professionals whose function is to obtain approvals from various statutory authorities.

**c. Project Execution:**

We seek to ensure that we control the quality of construction, develop construction know-how, and realize synergies in procuring construction materials from our raw material suppliers and equipment and other efficiencies. We place significant emphasis on cost management and monitor our projects to ensure that time and costs remain within the budgeted amount. We believe we have good relationship with our raw material suppliers, from whom we procure material such as cement, ready mix concrete and steel, among others.

We hire engineers who perform the following functions :

- Managing site development and construction activities.
- Coordinating the activities of third party contractors and suppliers.
- Overseeing quality and cost controls; and
- Ensuring compliance with zoning and building codes and other regulatory requirements.

**d. Project Completion:**

This is final completion stage of our Projects and the buyers are informed during the various stages of construction and the buyers receive advance notice in anticipation of final possession. We register the sale documents and transfer title to the customer upon the completion of the project and the receipt of the building completion certificate from the appropriate authorities. We ensure the entire consideration is paid to us prior to the transfer of title or before possession is handed over, whichever is earlier.

After handing over of the Property, we encourage continuous feedback from our buyers and have a team in place that collates all issues pertaining to customer needs to ensure appropriate action on our part and to ensure customer satisfaction.

**e. Sales and Marketing:**

The efficiency of the marketing and sales network is critical success of our Company. We market our flats by marketing agencies that looks after marketing operation of our Projects. The sales and marketing begins with project comes in execution till the completion of Projects and handed over the possession to the Customers. Our Company will be offering our Brand and management solutions to the mid segment Hotels with gross revenue strong system. Also, our Company has proposed a unique lounge cafe concept for franchisee. In which there are few more in Pipeline. company will concentrate in sector of asset lite model with principal expansion through franchisee of Nidaan hospitality as well as a new Nidaan me Lounge & Cafe. a luxury place to meet and eat with unlimited high speed internet, fast food, tea, coffee.

**CAPACITY AND CAPACITY UTILIZATION:**

Our business is project specific and not of the nature of a manufacturing concern with specified installed capacity. Hence, capacity and capacity utilization is not applicable to us.

**PLANT AND MACHINERIES:**

Currently we do not own any major plant and machinery as on date of this Draft Prospectus.

## **SAFETY, HEALTH AND ENVIRONMENT:**

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of each project we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavor to minimize accidents at our project sites. Our Company equips laborers with safety equipment and material that covers them from the risk of potential health hazards. Project heads are principally responsible for ensuring that safety standards are met at project sites.

As a real estate developer in India, we are subject to various mandatory municipal environmental laws and regulations. Our operations are also subject to inspection by government officials with regard to various environmental issues, and we are required to obtain clearance from the Municipal Corporation in respect of each of our projects.

## **COLLABORATIONS/TIE UPS/ JOINT VENTURES:**

As on date of this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures except as entered into normal course of business for developments rights and construction of Projects. For the Ranjeet Hotel we have a Management Agreement with Paradise Hospitality, Affinity Restaurants LLP and Yellowlight Hospitality LLP. Company has entered in MOU's with Akanksha Developers for joint venture development of their Andheri West slum redevelopment Project for construction of sale building.

## **EXPORT OBLIGATION:**

Our Company does not have any export obligation as on date.

## **COMPETITION:**

Hotel Industry being a large and global industry, we face competition from various domestic and international players. The industry which we cater to is highly competitive, unorganized and fragmented with many small and medium - sized companies and entities and we compete with organized as well as unorganized sector on the basis of availability of range of services. Among listed Companies we face competition from Foment Resorts & Hotels Limited, Ras Resorts & Apart Hotels Limited, HS India Limited and Sinclairs Hotels Limited. Further Most of our Competitors in the regional level are from the unorganized sector of the Hotel Industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

## **UTILITIES & INFRASTRUCTURE**

### **Infrastructure Facilities**

Our Registered office Hotel's and Resort Park and Avenues are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to

### **Power**

Our Company meets its power requirements by purchasing electricity from Electricity Department, Government of Maharashtra. Our Company also has standby arrangement of D.G. Sets of various Capacities also we have solar systems Installed for water and power to operate in absence of power facilities.

### **Water**

Our water requirement is very high and we fulfill our water requirement through ground water as well as municipal waters as well depends on the site and types requirements.

## INSURANCE DETAILS

The Following are the details of the insurance policy obtained by our Company.

Sr . No	Name of Insured	Name of the Insurer	Policy No.	Description	Property / Assets Insured	Validity Period	Sum Insured Rs.	Premium Rs.
1	Santrica Realtors Pvt. Ltd. Hotel Ranjeet	IFFCO-TOKIO General Insurance Co. Ltd.	12505678	Building & Construction	Hotel Ranjeet	16/09/2022 to 15/09/2023	100000000	53475
2	Santrica Realtors Pvt. Ltd. Hotel Ranjeet	IFFCO-TOKIO General Insurance Co. Ltd.	11505678	Building & Construction	Hotel Ranjeet	16/09/2021 to 15/09/2022	100000000	72482
3	Santrica Realtors Pvt. Ltd. Hotel Ranjeet	The New India Assurance Co. Ltd.	14050111200100000283	Building & Construction	Hotel Ranjeet	16/09/2020 to 15/09/2021	100000000	62540
4	Santrica Realtors Pvt. Ltd. Hotel Ranjeet	The New India Assurance Co. Ltd.	14050011180100003131	Building & Construction	Hotel Ranjeet	16/09/2019 to 15/09/2020	100000000	104726
5	Santrica Realtors Pvt. Ltd. Hotel Ranjeet	The New India Assurance Co. Ltd.	14050011170100003141	Building & Construction	Hotel Ranjeet	16/09/2018 to 15/09/2019	100000000	94378

## PROPERTY:

Our Registered office and Corporate office is the same and is leased by our Company. The detail of our property is as follows:

Lease Date	Name of the Licensor/ Lessor/ Vendor	License/ Leased/ Rent/ Owned	Location of the Property	License Fee/ Lease Fee/ Purchase Cost (in Rs.)	Security Deposit (in Rs.)	License Period/ Leased Period	Purpose
01-01-2019	Affinity Restaurants LLP	Licensed			13,00,000/-	60 Months From 01-01-2019 to 31-12-2023	Hotel Ranjeet

#### **Intellectual Property:**

As on the date of this Draft Prospectus, Our Company has made an application with the Trade Mark Registry, Mumbai to register its logo. Beside this, our company confirms that it has not made any other applications nor has it registered any other type of intellectual property including trademarks/copyrights/patents etc. For details on our intellectual property, please refer to the chapter titled “Government and other Approvals” beginning on page no. 210 of this Draft Prospectus.

Trade Mark Name	Class	Trademark Type	Owner of Trademark	Application No.	Date of Application	Valid Up to	Current Status
 SAN TRICA REALTORS LIMITED	43	Wordmark (Logo)	SAN TRICA REALTORS LIMITED	5299180	25/01/2022	25/01/2032	Registered

#### **INFRASTRUCTURE AND UTILITIES:**

Our registered office situated at Palghar, Maharashtra is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for smooth functioning of our business activity.

#### **HUMAN RESOURCE:**

Our human resource department plays a key function in our Company. It is operated by professionally qualified and experienced personnel and receives attention from senior management. We believe an effective human resource system results in greater employee satisfaction and higher retention. As on date of this Draft Prospectus, our Company has 179 employees including our key managerial persons. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of the stability and growth. Our work processes and skilled resources together with strong management team have enabled us to successfully implement our growth plans. We also hire contractors and subcontractors for supply of labours for our Projects. In hotel operation we have out-sourced staff.

## KEY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Maharashtra and the respective bye laws framed by the local bodies in Mumbai, and others incorporated under the laws of India. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company is primarily engaged in the business of real estate development and undertakes the development of residential, commercial, office use, retail and mixed-use projects.*

*Additionally, the projects require, at various stages, the sanction of the concerned authorities under the relevant Central and State legislations and local byelaws. The following is an overview of some of the important laws and regulations, which are relevant to our business.*

*For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 210 of the Draft Prospectus.*

### APPLICABLE LAWS AND REGULATIONS

#### BUSINESS/TRADE RELATED LAWS/REGULATIONS

##### **The National Building Code of India, 2016 (the “Code”)**

The Code is a comprehensive national instrument laying down the guidelines for regulating building construction activities across the country. The Code serves as a model for adoption by all agencies involved in building construction work, including public works department, other government construction departments, local bodies or private companies in the business of construction. The Code mainly contains the administrative regulations, development control rules and general building requirements, fire safety requirements, stipulations concerning the material used, structural designs and safety of the construction, along with the plumbing services.

##### **The Indian Easements Act, 1882 (the “Easements Act”)**

As per the Easements Act, an easement is a right vested with the owner or occupier of a land for the beneficial enjoyment of that land and the same right permits him to do or to prevent something from being done, in or upon, the land which is not his own. According to the Easements Act, a license is defined as a right to use property, wherein the absence of such right would be unlawful. The period and incident upon which a license may be revoked is provided in the license agreement entered into between the licensee and the licensor.

##### **The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the “Land Acquisition Act”)**

The Land Acquisition Act has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and a transparent process for land acquisition for industrialisation, development of essential infrastructural facilities and urbanisation. Whilst aiming to cause least disturbance to landowners and other affected families, the Land Acquisition Act contains provisions which are aimed at ensuring a just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. The Land Acquisition Act lays down the framework for rehabilitation and resettlement of the aforementioned affected persons. Under the Land Acquisition Act, various state rules have been notified which frame rules in relation to, inter alia, the required consent process, the established compensation mechanism, and the methods for rehabilitation and resettlement.

##### **The Real Estate (Regulation and Development) Act, 2016 (the “RERA”) and the rules made thereunder**

The enactment of RERA was passed with the objective to regulate and promote the real estate sector by establishing a specialised forum known as the Real Estate Regulatory Authority (“**Regulatory Authority**”) and to ensure the sale of plots, apartments or buildings (as the case maybe) or a sale of a real estate project is conducted in an efficient and

transparent manner to protect the interests of the consumers in the real estate sector (buyers). The adjudicating mechanism of Regulatory Authority vide RERA has been established for a speedy dispute redressal. RERA mandates the registration of residential and commercial projects prior to their booking, selling or offering apartments for sale in such projects. This application for registration under RERA should mandatorily disclose details of the promoter, brief details of the projects launched by the promoter, an authenticated copy of the approval and commencement certificate received from the competent authority, a sanction plan, layout plan, specifications of the project, proforma of the allotment letter, number, type and carpet area of the apartments, in addition to other specified details. RERA casts an obligation on the promoter to not accept more than 10% of the cost of an apartment as advance payment without first entering into a written agreement of sale with such a person. RERA specifies that in case of delay in handing over the possession, the promoter shall be liable to return the amount received by him from the allottee with interest and compensation. The exception herein being that if the allottee does not intend to withdraw from the project, he shall be paid interest by the promoter until the handing over the possession to him. RERA ensures that the promoter does not make any addition or alteration in the sanctioned plans without the previous consent of the allottees. In case of any structural defect or any other defect in workmanship, quality or provision of services or any other obligations of the promoter, the promoter is bound to rectify such defect and if he fails to do so, the aggrieved allottee is entitled to receive appropriate compensation. We as a company are also required to comply with the rules, regulations and orders issued under RERA by the State Government of Maharashtra, such as the Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017 and Maharashtra Real Estate (Regulation and Development) (Recovery of Interest, Penalty, Compensation, Fine payable, Forms of Complaints and Appeal, etc.) Rules, 2017.

### **Land Acquisition Act, 1894 and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“LA Act”)**

The GoI and the state governments are empowered to acquire and take possession of any property for public purpose, however, the courts in India have, through numerous decisions stipulated that any property acquired by the government must satisfy the due process of law. Presently, the key legislation relating to the expropriation of property is the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Under the provisions of this Act, which supersedes the Land Acquisition Act, 1894, land in any locality can be acquired compulsorily by the government whenever it appears to the government that it is needed or is likely to be needed for any public purpose or for use by a corporate body.

Any person having an interest in such land has the right to object and the right to receive compensation. The value of compensation for the property acquired depends on several factors, which, among other things, include the market value of the land.

### **The Real Estate (Regulation and Development) Act, 2016**

The Real Estate (Regulation And Development) Act, 2016 was enacted by Parliament to establish a Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto. The Real Estate (Regulation and Development) Act, 2016 was introduced mainly to regulate projects keeping in mind the interest of consumers and buyers and to ensure consumer protection, and standardization of business practices

### **The Indian Registration Act, 1908 (Registration Act)**

The Registration Act, 1908 details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for

specific performance or as evidence of part performance of a contract or as evidence of any collateral transaction not required to be effected by registered instrument.

### **Building Consents:**

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and municipalities. The municipal authorities, municipalities and development authorities as also the Panchayat and zilla parishad regulate building development and construction norms.

Additionally, certain approvals and consents may also be required from various other departments such as the fire department, the Airports Authority of India and the Archaeological Survey of India.

### **Modes of Acquisition of Interest and Development Rights in Property:**

Due to the constraints under the laws prescribing a ceiling on the acquisition of land, a real estate development company may enter into a range of agreements in order to acquire interests in land. Brief details of the most common arrangements are provided herein below:

- Agreements for acquisition of land-A company enters into agreements with third parties which may be in the form of an agreement to sell or a memorandum of understanding for the acquisition of land and pooling of land resources, for the purpose of the development of specified projects such as integrated townships. Under such agreements, the contracting parties agree to acquire land in certain areas selected by a company which agrees to provide an interest-free fund to such contracting parties for meeting the costs of the acquisitions. Further, the contracting parties are required to pool the acquired land with the land owned by a company and deliver possession of the same to our Company for the purpose of developing the project. Typically, a company is free to develop the land at its discretion and is also authorised to develop, market and sell the project at its own cost, risk and expense, if the land is freehold and free from encumbrances.
- Sole development agreements-A company enters into development agreements (“DA”) with the title holders of land for acquiring sole development rights. Typically, under the terms of the DA, whilst the title owner may continue to own the land, the company is entitled to sole development rights in the project and can sell units in the project and appropriate the receipt of the same at its sole discretion. For acquiring the sole development rights, generally a lump sum consideration is paid to the title holders of land.
- Joint development agreements-Another mode of acquiring land used by a company is to enter into joint development agreements (the “JDA”) with the title holders of land for joint development or development by the company of the real estate projects. The JDA may be in the form of a memorandum of understanding or a joint venture agreement. Under the terms of a JDA, a company may be authorised to develop, construct, finance and market the project on the relevant land.
- Public auctions and Government allotment-Various State Governments undertake large real estate development projects, for the purposes of which bids satisfying certain eligibility criteria (such as technical and financial criteria) are invited. After evaluation of the bids submitted by a company, the Government through the various regional bodies and local development authorities, selects the most eligible company for the development of the project and undertakes to grant certain rights for the purposes of a project such as a perpetual lease of the project land in favour of the company, subject to satisfaction of certain conditions. The governmental authority may grant such an undertaking in the form of a reservation-cum-allotment letter, the salient terms of which usually include among other things, the nature of allotment (such as lease and conveyance), the period of grant, the consideration for allotment and the payment schedule.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### **The Unified Development Control and Promotion Regulations for Maharashtra, 2020 (“UDCPR”)**

The Maharashtra State Government has introduced the UDCPR, which applies to building activities and development works on land within the jurisdiction of all planning authorities and regional plan areas except the Municipal Corporation of Greater Mumbai and other exclusions as specified in the UDCPR. The key provisions of the UDCPR are such as –

- a. Increase in the floor space index (“FSI”) enabling us to increase the size of units and correspondingly increase the developable area available for sale.
- b. The provisions for deferring payment of approval expenses that were previously required to be paid upfront.
- c. The payment of these expenses can now be deferred subject to payment of an interest at the rate of 8.5% per annum.
- d. A decrease in approval and other premium costs driven by a decrease in staircase premium charges, security fee, infrastructure charges and premium FSI charges.

#### **The Maharashtra Stamp Act, 1958 (the “MS Act”)**

The prescribed stamp duty on instruments in the State of Maharashtra are governed by the MS Act. The MS Act levies stamp duty on documents/instruments which are specified in the schedule to the MS Act and by which any right or liability is or purports to be created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorises the State Government on receiving information from any source, to call for examination of any instrument to satisfy itself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The Maharashtra State Government has the authority to impound insufficiently stamped documents.

#### **The Maharashtra Land Revenue Code, 1966 (the “MLR Code”)**

The MLR Code is a consolidated code governing the sphere of land revenue and powers of revenue officers in the State of Maharashtra. Under the MLR Code, the Commissioner is the Chief Controlling Authority in all matters connected with the land revenue for a particular division within the state, subject to the superintendence, direction and control of the State Government. Land revenue has been defined to mean all sums and payments claimable by or on behalf of the State Government on account of any land or interest in or right exercisable over any land held, and any cess or rate authorised by the State Government, any rent, lease money, quit rent or any other payment provided under any law or contract. All land, whether applied for agricultural or other purposes, and wherever situated, is liable for the payment of land revenue to the State Government as provided under the MLR Code, unless otherwise exempted. Further, any arrears of land revenue due on a land shall be a paramount charge on the land and shall have precedence over every other debt, demand or claim. Additionally, the Maharashtra Land Revenue (Conversion of Occupancy Class-II and Leasehold lands into Occupancy Class-I) Rules, 2019 were enacted on March 8, 2019 provides details upon the fees applicable for conversion of the property from Class-II into Class-I for agricultural, industrial and commercial purposes.

#### **The Maharashtra Tenancy and Agricultural Lands Act, 1948 (the “MTAL Act”)**

The MTAL Act regulates the concept of tenancy in those areas of the State of Maharashtra within which our projects are situated. A tenancy has been defined in the MTAL Act as the relationship between the landlord and the tenant and recognises a deemed tenancy in favour of a person lawfully cultivating land belonging to another. The MTAL Act lays down provisions with respect to the maximum and minimum rent for a tenancy, and the renewal and termination of a tenancy. The transfer of land to non-agriculturists is barred except in the manner provided under the MTAL Act. Agricultural land tribunals have been constituted under the MTAL Act with an officer not below the rank of a mamlatdar as the presiding officer.

#### **The Maharashtra Rent Control Act, 1999 (the “Rent Control Act”)**

The Rent Control Act administers the renting of homes, with its objective being to assure that neither the tenant’s nor the landlord’s rights are violated. Renting be it for commercial or residential purposes, both require a clear relationship between the tenant and the landlord. The rent control act allows for the landlord to increase the rent by 4% annually



and further by 15% if modifications are taken place in the property with 70% of the tenant's consent. The rent control act allows for the tenant to have rights with respect to eviction, rebuilding and transfer of tenancy. Further the tenant has the right for maintenance and repairs.

### **The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 (the "Fire Safety Act")**

The Fire Safety Act has been enacted to make more effective provisions for fire prevention and life safety measures in various types of buildings in different areas in the State of Maharashtra, imposition of fee and constitution of a special fund. The Director or the Chief Fire Officer or the nominated officer may, after giving three hours' notice to the occupier, or if there is no occupier, to the owner of any place or building or part thereof, enter and inspect such place or building or part thereof at any time between sunrise and sunset where such inspection appears necessary for ascertaining the adequacy or contravention of fire prevention and life safety measures. If the Director or the Chief Fire Officer is satisfied that due to inadequacy of fire prevention and life safety measures the condition of any place or building or part thereof is in imminent danger to person or property, then notwithstanding anything contained in this Act, or any other law for the time being in force, he shall, by order in writing, require the persons in possession or in occupation of such place or building or part thereof to remove themselves forthwith from such place or building or part thereof.

### **The Bombay Village Panchayats Act, 1958 (the "BVP Act")**

The 73rd Amendment to the Constitution inserted Part IX to the Constitution of India ("Constitution") which provides for the constitution and functioning of panchayats. Article 243-H (a) authorised the Panchayats to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits. Accordingly, The BVP Act was legislated to empower the panchayat to levy taxes on buildings and lands within the limits of the village, shop keeping and hotel keeping, any trade or calling other than agriculture which is carried on with the help of machinery run by steam, oil or electric power or by manual labour. The tax is leviable from the occupier or owner of the building or land.

### **The Maharashtra Ownership of Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 ("Ownership of Flats Act")**

The Ownership of Flats Act applies throughout the State of Maharashtra. It applies to promoters/developers who intend to construct a block or building of flats on ownership basis. The Ownership of Flats Act requires promoters to make full and true disclosures regarding the nature of title to land on which the construction is to take place and all encumbrances on the land. The promoter/developer is required to enter into a written agreement for the sale of flats with each purchaser and the agreement contains prescribed particulars with relevant copies of documents. These agreements must be compulsorily registered. Any contravention of the provisions of the act may be punishable with imprisonment for a term of up to three years or a fine, or both.

### **The Maharashtra Apartment Ownership Act, 1970 ("MAO Act")**

The MAO Act, as amended, was enacted to provide for the ownership of an individual apartment in a building and to make such apartment heritable and transferable property in the state of Maharashtra. The MAO Act provides for, inter alia, provisions related to ownership of apartments, common areas and facilities, common profits and expenses, bye-laws, insurance, disposition of property etc.

### **The Maharashtra Housing and Area Development Act, 1976 ("MHADA")**

MHADA has been enacted for giving effect to the policy of the state towards securing distribution of ownership and control of the material resources of the community so as best to serve the common good. To give effect to this policy, MHADA provides for execution of proposals, plans or projects, acquisition of lands and buildings and transferring the lands, buildings or tenements to needy persons and cooperative societies of occupiers of such lands or buildings. MHADA consolidated the law relating to housing, repairing and reconstruction of dangerous buildings and carrying out improvement works in slum area. It establishes the Maharashtra Housing and Area Development Authority with a view to integrate the activities and functions of different corporate and statutory bodies.

### **The Development Control Regulations for Greater Mumbai, 1991 ("Development Control Regulations")**

The Development Control Regulations apply to building activity and development work in areas under jurisdiction of the municipal corporation of Greater Mumbai. The Development Control Regulations prohibit erection, re-erection or alteration of any building and carrying out any development or redevelopment on any plot or land without obtaining a development permission and a commencement certificate. All construction and development in areas falling within the scope of the Development Control Regulations by us must be in accordance with the requirements and specifications including, inter alia, fire protection requirements and structural design specifications provided under the Development Control Regulations.

#### **The Development Control and Promotional Regulations (DCPR) 2034 (“DCPR 2034”)**

The DCPR 2034 came into effect from September 1, 2018 with some provisions notified November 13, 2018. The DCPR 2034 primarily governs all the building development activity and development work in the jurisdiction of Municipal Corporation of Greater Mumbai and covers redevelopment projects that were to obtain completion certificate. The constructions by our Company must be in accordance with the requirements and specifications including safety requirements provided under the regulations and be compliant with the safety requirements provided in the DCPR 2034.

#### **The Incentive for Development of Integrated Industrial Area, 2018 (“Incentive for IIA”)**

The State Government introduced the Incentive for IIA to promote and make integrated industrial areas (“IIA”) in Maharashtra competitive with those in other states. The policy permits relaxations in the minimum area and width of the entry road required for an IIA, subject to the approval of the concerned authority. It also grants concessions in stamp duty and development charges payable for establishing an IIA. Further, if government land is required to maintain contiguity, the policy allows for the land to be transferred to the MIDC and then allotted to the developer.

#### **The Development Control Regulations for Mumbai Metropolitan Region, 1999 (“Development Control Regulations for MMR”)**

The Development Control Regulations for MMR apply to the development of any land situated within the Mumbai Metropolitan Region as defined in the Mumbai Metropolitan Region Development Authority Act, 1974. Under the Development Control Regulations for MMR, no person can carry out any development (except those stated in proviso to Section 43 of the Maharashtra Regional Town Planning Act, 1966) without obtaining permission from the Planning Authority and other relevant authorities including zilla parishads and the pollution control board. The Development Control Regulations for MMR have demarcated the region into various zones for development purposes including urbanisable zones, industrial zone, recreation and tourism development zone, green zones and forest zone.

#### **The Development Control Regulations for Municipal Corporation of The City of Palghar, 1994 (“Development Control Regulations for Palghar”)**

The Development Control Regulations for Palghar apply to all developments and development works in the areas under the jurisdiction of the Municipal Corporation of the City of Palghar excluding the area within the jurisdiction of Maharashtra Industrial Development Corporation. Under the Development Control Regulations for Palghar, no person can carry out any development, erection, re-erection or alteration or demolition of any building or causing the same to be done without obtaining a separate development permission and commencement certificate from the relevant authorities. All construction and development in areas falling within the scope of the Development Control Regulations for Palghar are in accordance with the requirements and specifications including, inter alia, fire protection requirements and structural design specifications provided under the Development Control Regulations for Palghar.

#### **The Development Control and Promotion Regulations for Regional Plan Areas in Maharashtra, 2013 (“Development Control and Promotion Regulations”)**

The Development Control and Promotion Regulations which came into force with effect from November 21, 2013, applies to the building activity and development works on lands with the Regional Plans in Maharashtra, including Pune district region. The Development Control and Promotion Regulations prohibit and development work including development of land by laying out into suitable plots or amalgamation of plots or development of any land as group housing scheme or to erect, re-erect or make alterations or demolish any building or cause the same to be done without first obtaining a separate building permit or commencement certificate for each such development work or building from the relevant authority. All construction and development in areas falling within the scope of the Development

Control and Promotion Regulations for Pune district region by us must comply with the requirements and specifications including, inter alia, fire protection requirements and structural design specifications provided under the Development Control and Promotion Regulations.

#### **The Maharashtra Co-operative Societies Act, 1960 (“Co-operative Societies Act”)**

The Co-operative Societies Act provides for the orderly development of the Co-operative movement in State of Maharashtra in accordance with the relevant directive principles of state policy enunciated in the Constitution of India. The Co-operative Societies Act provides the application process and conditions for registration of cooperative societies. Further, the Co-operative Societies Act specifies the eligibility criteria of and voting by members of co-operative societies. The Co-operative Societies Act permits the state government to subscribe to the shares of a co-operative society with limited liability or provide funds to a co-operative society for the purchase of shares in other co-operative societies. The Co-operative Societies Act, inter alia, governs management, audit and liquidation of co-operative societies. Contravention of the provisions of the Co-operative Societies Act is punishable with a fine, imprisonment or both.

#### **The Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2017 (the “Act”)**

Under the provisions of the Act, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **ENVIRONMENT RELATED LAWS**

#### **Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

#### **The Environmental Impact Assessment Notification, 2006 (the “Notification”)**

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’ and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant byelaws of the concerned State authorities.

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

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

### **The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **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 made the persons or establishments generating municipal solid 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.

## **GENERAL CORPORATE COMPLIANCE**

### **Companies Act, 2013 (the “Companies Act”)**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013.

The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

### **The Registration Act, 1908 (the “Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

## **EMPLOYMENT AND LABOUR LAWS**

### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Occupational Safety, Health and Working Conditions Code, 2020**

The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of 118

Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The laws that it shall subsume are as follows –

### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months fifty or more workers as contract labour to be registered. The Act requires the

principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This law is applicable to all the establishments employing five or more migrant workmen from other states. In addition to this, this law is also applicable to contractors who have employed five or more inter-State workmen. The establishment must be registered with the local authority while employing migrant workers. This means that if an establishment is prohibited from employing migrant workers from other states if they do not have a certificate from the concerned authority. The same law applies to the contractors too who employ workers from one state and deploy them in other states. As per this law, the contractors deploying the migrant workers must provide terms and conditions of the recruitment to the workers. These are the remuneration payable, hours of work, fixation of wages and other essential amenities.

### **Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the “BOCW Act”)**

The BOCW Act was implemented to resolve the issues of unskilled laborers who work in intense circumstances. The purpose of the act is to regulate the working conditions of the workers and acts as social welfare scheme. The BOCW act check the exploitation of workers, mandates the establishment of Welfare Boards and comes to the aid of workers in cases of pension, gratuity, loans for house construction and premium payment for Group Insurance Schemes. Apart from the above stated measures, under the BOCW Act workers get education support for their children and medical expenses in case of major ailment.

### **Industrial Relations Code, 2020**

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows –

#### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

#### **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

#### **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressal for workmen in different matters.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)**

MSME Act, 2006 was enacted to promote and enhance the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter alia a company, partnership firm, or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry mentioned in the First Schedule to Industries (Development and Regulation) Act, 1951 and in case of the enterprise engaged in the services as micro enterprise, where the investment in plant and machinery or equipment does not exceed ₹1 Crore and turnover does not exceed ₹5 Crores; a small enterprise where the investment in plant and machinery or equipment does not exceed ₹10 Crores and turnover does not exceed ₹50 Crores; or a medium enterprise where the investment in plant and machinery or equipment does not exceed ₹50 Crores and turnover does not exceed ₹250 Crores.

### **Code on Social Security, 2020**

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate 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 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

#### **Employee’s Compensation Act, 1923**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees’ Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees’ Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

#### **Employee’s State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

#### **Employee’s Provident Fund and Miscellaneous Provisions Act, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Employees' Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**



The “CLPR Act seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961 (the “IT Act”)**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Central Goods and Services Tax Act, 2017 (the "GST Act")**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- The Designs Act, 2000
- The Patent Act, 1970

The Acts applicable to our Company will be:

### **Trade Marks Act, 1999 (the “TM Act”)**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

## **ANTI-TRUST LAWS**

### **Competition Act, 2002 (the “Act”)**

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-

competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

## **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000, The Specific Relief Act, 1963 etc

## **OTHER LAWS:**

### **Foreign Exchange Management Act, 1999 (“FEMA”)**

FEMA was enacted by the Government of India to replace the erstwhile Foreign Exchange Regulation Act, 1973 ("FERA"). The Act was aimed at consolidating and amending the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA has removed restrictions on trade in goods and services to and from India, except for the enabling provision for the Central Government to impose reasonable restrictions in the interest of public when required.

### **Foreign Trade (Development and Regulation) Act, 1992 (the “Act”)**

The Act regulates and governs the foreign policy of India in relation to trade of goods and services. The Act was enacted in the year 1992 as a replacement of the Import and Exports (Control) Act, 1947. The objective of the Act was to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. Through the Foreign Trade (Development and Regulation) Amendment Act of 2010, "services" was also included in the ambit of import and export of trade in the purview of the Act.

## **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 of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), 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 issued by the DIPP 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 the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as San Trica Realtors Private Limited on April 09, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Subsequently the name of the company was changed from “San Trica Realtors Private Limited” to “San Trica Realtors Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on December 24, 2021 and had obtained fresh certificate of incorporation January 19, 2022 issued by the Registrar of Companies, Mumbai. Our Corporate Identification Number is U45400MH2007PLC169803

The Promoter of our company is Dr. Nitin Vithalrao Thorave.

### Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: Initial allotment to Dr. Nitin Vithalrao Thorave (3334 Equity Shares) & Mr. Ashutosh Joshi (3333 Equity Shares) and Mr. Shailesh Patil (3333 Equity Shares), being the subscribers to the MoA of our Company.

### Changes in our Registered Office

As on the date of filing this Draft Prospectus, Our Company's Registered Office is situated at SwapnshilpBungalow, Behind Aarti Apartment Vartak Road, Virar (West) Palghar-401303, Maharashtra, India.

Following are the details of the change in the address of the registered office of our Company since incorporation:

Date	From Address	To Address	Reasons for Change
09/04/2007	-	28 - 31, Thakur Arcade, 2nd Floor, Above Viva Super Market, Virar (West), Palghar-401303, India	Since Incorporation
01/04/2022	28-31, Thakur Arcade, 2nd Floor, Above Viva Super Market, Virar (West), Palghar-401303, India	Swapnshilp Bungalow, Behind Aarti Apartment, Vartak Road, Virar (West), Palghar-401303, India	For Administrative Purpose

For further details of our Properties, please refer to the chapter titled ‘Our Business’ beginning on page no. 104 of this Draft Prospectus.

### Major Events and Milestones

Some of the other key events in the history of our Company are set forth below:

Year	Details
2007	Incorporated as San Trica Realtors Private Limited
2022	Converted from Private Limited Company to Public Limited Company

### Main Objects of our Company

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

#### (A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on the business of civil construction contractors, dealers in land buildings, decorators and to promote and to float, and work as Promoters of Co-operative Housing Societies Industrial Estates and

any other societies or any type of organizations, and to construct or build for such societies, buildings, houses, industrial Estates or any other type of Construction Works.

2. To carry on the business in or outside India for construction works and that of Builders, Developers Contractors, or all kinds of works viz Road, Bridge, Buildings Industrial/ residential/ commercial or other Factories, Factory Sheds, Industrial Complexes, construct, erect, build, repair, re-model, demolish, develop, improve, grades, curve, pave, macadamize, cement and inanition building structures, houses, apartments, hospitals, clubs, holiday resorts, schools, places of worship, highways, roads, paths, streets, sideways, courts, alleys, pavements and to do other similar construction, leveling of paving work, and for these purposes to purchase, take on lease, or otherwise acquire and hold any lands and prepare lay-out thereon or building of any tenure or buildings of any tenure or description wherever situated, or rights or interests there in or connected therewith works of all types, land developments and/or of soil investigation and contractor of Central public works department, state public works department, other Government bodies or semi Government bodies or civil bodies.
3. \*\*\*To carry on the business as hoteliers, hotel proprietors, hotel managers and operators, refreshment contractors and caterers, restaurant, refreshment room, milk and snack bar, café and tavern, lodging house, ice cream merchants, sweetmeat merchants, milk merchants, bakers, confectioners, professional merchants, licensed victuallers, wine and spirit merchants, blenders and bottlers.
4. \*\*\*To purchase the lands and premises and/or to take on lease or otherwise acquire lands, buildings or elsewhere for the business of hotels, restaurants, snack bars, café, ice cream parlour, dairy products, confectionaries and allied food products and to sell and let the lands of the company or to use the same or any part thereof, or to acquire and use other lands for the construction of hotels, restaurants and entertainment centres, amusements parks with or without shopping plaza etc. etc.
5. \*\*\*To act as hotel management consultants, mangers, operators, advisors, planners, values and to impart technical know-how and training in the field of planning, construction, operation of hotels, motels, restaurants, recreation and entertainment centers in the field of tourism industry whether in India or abroad and to purchase erect or otherwise acquire, establish and equip and act as collaborators, technicians, financiers to any other hotel or restaurant in India or abroad.

***\*The name of the company is changed from SAN TRICA REALTORS PRIVATE LIMITED to SAN TRICA REALTORS LIMITED pursuant to conversion of Company from Private limited to Public Limited vide special Resolution passed at the Extra Ordinary General Meeting held on 24th December, 2021.***

***\*\*\* Main objects clause altered vide special resolution passed at the Extra ordinary General Meeting of the Shareholders held on 29<sup>th</sup> March 2022***

#### **Amendments to the MoA of our Company since Incorporation**

Since incorporation, the following amendments have been made to the MoA of our Company:

<b>Sr. No.</b>	<b>Changes In M.O.A</b>	<b>Date &amp; Type of Meeting</b>
•	<b>Change in Capital Clause</b>	
1)	Increase in authorized capital from Rs. 5.00 Lakh to Rs. 20.00 Crores	10-02-2022; EGM
•	<b>Change in Name Clause</b>	
1)	Our Company was converted into a public limited company and the name of our Company was changed to “San Trica Realtors Limited” and Change in name clause of the Memorandum of association of the company	11-01-2022; EGM
2)	Adoption of new set of Articles of Association	24-12-2021; EGM

**Launch of Key Products or services**

Except as disclosed in the chapter titled '*Our Business*' beginning on page no. 104 of this Draft Prospectus, our Company has not changed its products and services.

**Subsidiaries and Holding Company**

Our Company is not a subsidiary of any company. Further, as on the date of this Draft Prospectus our Company does not have any subsidiary company.

Our Company has no holding company as on the date of filing of the Draft Prospectus.

**Joint Ventures**

As on the date of this Draft Prospectus, there are no existing joint ventures entered into by our Company.

**Mergers and Acquisitions in the history of Our Company**

There has been no merger or acquisition of businesses or undertakings in the history of our Company and we have not acquired any business/undertakings as on the date of filing of the Draft Prospectus.

**Divestment of Business or Undertaking**

Our company has not divested any of its business or undertaking in last 5 years from the date of this Draft Prospectus.

**Strategic Partners:**

Our Company does not have any strategic partner(s) as on the date of this Draft Prospectus.

**Financial Partners:**

Apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners as on the date of this Draft Prospectus.

**Shareholders' agreement:**

Our Company does not have any subsisting shareholders' agreement as on the date of this Draft Prospectus.

**Material Agreements:**

Our Company has not entered into any specific or material or special agreements and/or arrangements except that have been entered into in ordinary course of business as on the date of filing of the Draft Prospectus.

**Fraudulent Borrower**

Our Company or any of our promoter or directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

**Injunctions or Restraining Orders**

There are no injunctions/ restraining orders that have been passed against the Company.

**Fund raising through equity or debt**

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled '**Restated Financial Information**' and '**Capital Structure**' beginning on page no. 163 and 64, respectively, of this Draft Prospectus.

#### **Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

#### **Defaults or Rescheduling of borrowings with financial institutions/banks**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks as on the date of this Draft Prospectus.

#### **Strikes and lock-outs**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

#### **Time and cost overruns**

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **Changes in the activities of Our Company having a material effect**

There has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors in the last five years.

#### **Other declarations and disclosures**

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any Public Issue or Rights Issue (as defined in the SEBI (ICDR) Regulations) in the past. No action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

#### **Number of Shareholder in the Company**

As on the date of this Draft Prospectus, the total number of holders of our Equity Shares is 8. For further details of our shareholding pattern, please see '**Capital Structure**' on page no. 64 of this Draft Prospectus.

## OUR MANAGEMENT

### Board of Directors

As per the Articles of Association of our Company, we are required to have not less than 3 (three) Directors and not more than 15(fifteen) Directors on its Board, subject to the applicable provisions of the Companies Act. As on date of this Draft Prospectus, we have 5 (Five) Directors on our Board.

Sets forth below are the details regarding our Board as on the date of this Draft Prospectus:

Name, Age, Designation, Address, DIN No., Occupation & Nationality	Date of Appointment	Other Directorships
<b>Mr. Krupesh Deepak Thakur</b> S/o Mr. Deepak Bhaurao Thakur <b>Age:</b> 31 years <b>Designation:</b> Executive Director <b>Address:</b> House No. 131/1, Umrale (Bhandarali), BolinjSopara Road, Near Umadevi Mandir, Nalasopara (West), Umrale, Palghar – 401203, Maharashtra, India <b>DIN:</b> 07978746 <b>Occupation:</b> Business <b>Nationality:</b> Indian	Appointed as Additional Director w.e.f. 21/03/2022  Regularised as Executive Director of the Company on August 31, 2022	<ul style="list-style-type: none"> <li>▪ Nidan Laboratories and Healthcare Limited</li> <li>▪ Junnar Sugars Limited</li> <li>▪ Tech-Art Infrastructure Private Limited</li> <li>▪ Origin Associates Private Limited</li> </ul>
<b>Ms. Abhilasha Nitin Thorave</b> D/o Dr. Nitin Vitthalrao Thorave <b>Age:</b> 23 years <b>Designation:</b> Executive Director & CEO <b>Address:</b> Swapnashilpa Banglow, Vartak Road, Behind Arti Apartment, Virar West Vasai, Virar-401303, Maharashtra, India <b>DIN:</b> 09439166 <b>Occupation:</b> Service <b>Nationality:</b> Indian	Appointed as Additional director w.e.f. 17/12/2021  Appointed as CEO (KMP) w.e.f. 21/03/2022  Regularised as Executive Director of the Company on August 31, 2022	<i>Nil</i>
<b>Mr. Sandeep Madhukar Joshi</b> S/o Mr. Madhukar Joshi <b>Age:</b> 60 years <b>Designation:</b> Non Executive- Independent Director <b>Address:</b> B 306, Omkar Apartment, Virar, Palghar – 401303, Maharashtra, India. <b>DIN:</b> 01515729 <b>Occupation:</b> Professional <b>Nationality:</b> Indian	Appointed as Additional Director w.e.f. 21/03/2022  Regularised as Non Executive Director of the Company on August 31, 2022 for a period of 5 years.	<ul style="list-style-type: none"> <li>▪ SAI Siddhi Rup Shelters Private Limited#</li> </ul>
<b>Mr. Rajaram Laxman Thorve</b> S/o Mr. Laxman BaburaoThorve <b>Age:</b> 36 years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> Tak Basti, Shirolu Bk, Pune-410511, Maharashtra, India	Appointed as Additional Director w.e.f. 21/03/2022  Regularised as Non Executive Director of the Company on	<i>Nil</i>

Name, Age, Designation, Address, DIN No., Occupation & Nationality	Date of Appointment	Other Directorships
<b>DIN:</b> 09535351 <b>Occupation:</b> Service <b>Nationality:</b> Indian	August 31, 2022 for a period of 5 years.	
<b>Mr. Tejesh Vilas Patil</b> <b>S/o</b> Mr. Vilas Patil <b>Age:</b> 39 years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> Post Dighashi, Ambadi Vajreshwari Road, Near Marathi School, Zidake, Thane, India 421302 <b>PAN:</b> ANMPP7182M <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>DIN:</b> 09528338	Appointed as Non Executive-Director w.e.f. 30/09/2022	Nil

# SAI Siddhi Rup Shelters Private Limited – Strike Off as per ROC records.

Note: For further details on their qualification, experience etc., please see their respective biographies under the heading “**Brief Profile of the Directors of our Company**” as mentioned on page no. 135 of this Draft Prospectus.

**Confirmations as on the date of this Draft Prospectus:**

- None of the above-mentioned Directors are on the RBI List of willful defaulters as on date of this Draft Prospectus.*
- None of the above-mentioned Directors have been and/or are being declared as fugitive economic offenders as on date of this Draft Prospectus.*
- None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or Our Company are debarred by SEBI from accessing the capital market.*
- None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*
- Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) during the (5) five years prior to the date of filing the Draft Prospectus or (b) delisted from the stock exchanges.*
- There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.*
- The Directors of our Company have not entered into any service contracts with our Company which provide for benefits upon termination of employment.*
- No proceedings/ investigations have been initiated by SEBI against any Company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of Companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.*



### **Relationship between Directors**

None of the Directors are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013.

### **Brief Profile of the Directors of our Company**

#### **Mr. Krupesh Deepak Thakur – Executive Director**

Mr. Krupesh Deepak Thakur aged 31 years, is graduated from Mumbai University and business management courses from renowned institutes. Apart from qualification in management he has got vast experience in management from ground levels Infrastructure source and planning is his core competency through which he is helping franchisee wing.

#### **Ms. Abhilasha Nitin Thorave -- Executive Director & CEO**

She is young dynamic enthusiast lady having bright Academic Career since her school and have persuade a medical graduation from a medical school and further geared up for her PG Medical Studies. She has keen interest in various Business activities since her childhood & has nurtured her Entrepreneur Qualities through accompanying her parents during their Business meets. She has also cultivated her leadership in her school and college days by successfully fighting elections and achieving post till deputy general secretary of universities. As a second-generation entrepreneur she is likely to play vital role in growth of our Company.

#### **Mr. Sandeep Madhukar Joshi -- Non Executive- Independent Director**

A veteran personality who has got versatile experience in Business & Administration from Electronics Garments and since 2 decades in Real Estate. He is an Alumni of Mumbai University who completed his Engineering from Mumbai one of the Top most college that is VJTI. His talents and polite but professional approach has helped him to become Successful. In enhancing customer satisfaction ratio in his entire tenure. Though he has versatile experience in real estate of Mumbai. But acquisition of redevelopment projects has become his main forte. Hence the plans of San Trica Realtors Limited in implementing an asset like development model will get boost with his experience.

#### **Mr. Rajaram Laxman Thorve -- Non Executive- Independent Director**

A Doctorate by Qualification- who has dynamism in his blood. Presently he is pursuing his duties as a professor in one of the largest colleges named "Shri Shiv Chatrapati Mahavidyalaya". Simultaneously, he has developed and managing a credit bank named "Laxman Vitthalji Patil Credit Co-Op Society" and also developed his agricultural land into modern forms. Also, he is using his doctorate knowledge in peoples education through delivering free lectures to respective groups of society. His versatile knowledge and research activities well in deed help for our growth plans.

#### **Mr. Tejesh Vilas Patil-- Non Executive- Independent Director**

A registered practitioner under the Mumbai Homoeopathic Practitioner's Act, 1959 from Maharashtra Council of Homoeopathy Mumbai. He is DHMS -Bachelor of Homeopathic Medicine and Surgery. His versatile knowledge and establishment in real estate property dealings activities well in deed help for our growth plans.

### **Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company.

Pursuant to a special resolution passed on September 30, 2022 our shareholders in their Extra Ordinary General Meeting authorized our Board to borrow from time to time such sums of money as may be required under Section 180(1)(c) of the Companies Act, 2013, provided that such amount shall not exceed Rs. 100.00 Crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page no. 264 of this Draft Prospectus.

### **Terms and conditions of employment of our Executive Directors**

#### **Mr. Krupesh Deepak Thakur, Executive Director of company**

**Mr. Krupesh Deepak Thakur**, was designated as the Executive Director of the Company w.e.f. 21<sup>st</sup> March' 2022 vide Board of Directors resolution dated 21<sup>st</sup> March' 2022. The significant terms of the agreement are as below:

<b>Remuneration</b>	Rs. 36,000 upto June Quarter' 2022. According to the limit prescribed or exceeding the limits prescribed under Section 197 of the Company Act, 2013 subject to the approval of Shareholders in General Meeting in consultation with Nomination and remuneration committee.  Such amounts shall be paid as Basic Salary and/ or Special Allowance and perquisites and benefits as may be considered appropriate from time to time an approved by the Board of Directors.
<b>Other terms and conditions</b>	Executive Director of the Company will not be entitled to any Sitting Fees for attending meetings of the Board of Directors or Committees thereof.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In case of inadequacy of profits or loss in any financial year, the salary (and other allowances, if any as per Company's Policy) will be paid Executive Director in accordance with the applicable provisions of the Section I of PART II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Board of Directors.

#### **Mrs. Abhilasha Nitin Thorave, Executive Director and CEO of Company**

**Mrs. Abhilasha Nitin Thorave**, was appointed as Additional Director vide Board Resolution dated 17<sup>th</sup> December' 2021 and regularize in the ensuing AGM for the financial year of 2022 dated. 30<sup>th</sup> September' 2022. In addition to the above, she was also appointed as CEO of the Company w.e.f. 21<sup>st</sup> March' 2022 vide Board of Directors resolution dated 21<sup>st</sup> March' 2022.

<b>Remuneration</b>	Rs. 75,000 upto June, 2022 According to the limit prescribed or exceeding the limits prescribed under Section 197 of the Company Act, 2013 subject to the approval of Shareholders in General Meeting in consultation with Nomination and remuneration committee.  Such amounts shall be paid as Basic Salary and/ or Special Allowance and perquisites and benefits as may be considered appropriate from time to time an approved by the Board of Directors.
<b>Other terms and conditions</b>	Executive Director and CEO of the Company will not be entitled to any Sitting Fees for attending meetings of the Board of Directors or Committees thereof.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In case of inadequacy of profits or loss in any financial year, the salary (and other allowances, if any as per Company's Policy) will be paid to Executive Director and CEO in accordance with the applicable provisions of the Section I of PART II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Board of Directors.

There is no definitive and /or service agreement that has been entered into between our Company and the KMP of the Company in relation to their appointment.

### Remunerations and/ or Sitting Fees paid to our Non-Executive and Independent Directors

Our Non-Executive Independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board and as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations. No remunerations and/ or sitting fees is paid/ payable to any of our Non-Executive and Independent Director.

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of filing of this Draft Prospectus, except the following, none of our other Directors hold any Equity Shares of our Company:

Sr. No.	Name of Director	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Ms. Abhilasha Nitin Thorave	Non Executive Director & CEO	100	0.0015
		<b>TOTAL</b>	<b>100</b>	<b>0.0015</b>

### Interest of Directors

All of our Directors, Non-Executive Independent Director may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to him for his services as Executive Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors, Non-Executive Independent Director may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our Non-Promoter Directors, out of the Issue and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors, Non-Executive Independent Director may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors, Non-Executive Independent Director may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Issue.

All our Directors, Non-Executive Independent Director may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### Interest in promotion of Our Company

Except as stated in this chapter titled **“Our Management”** and the chapter titled **“Financial Statement- Annexure 32- Related Party Transactions”** beginning on page nos. 135 and 186 of this Draft Prospectus respectively and to the extent to remuneration received/ to be received by our Directors, none of our Directors have any interest in the promotion of our Company.

### Interest in the property of Our Company

Save and except as stated otherwise in ***“Our Properties”*** within the chapter titled ***“Our Business”*** on page no. 104 and in ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Statement’*** beginning on page no. 186 of this Draft Prospectus:

- Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of this Draft Prospectus;
- Our Directors do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company as on the date of this Draft Prospectus;
- Our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them as on the date of this Draft Prospectus.

### **Interest in the business of Our Company**

Save and except as stated otherwise in ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Statement’*** beginning on page no. 163 of this Draft Prospectus:

- Our Directors do not have any other interests in our Company and/or our business as on the date of this Draft Prospectus except to the extent of their shareholding in our Company and/ or their relative shareholding in our Company and/ or any dividends paid/ payable to them and/ or their relatives and/or any other distributions in respect of the Equity Shares of our Company;
- Our Directors are not interested in the appointment of Underwriters, Market Markers, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI as required to be appointed for the process of listing;
- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management;
- Our company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

### **Interest as a creditor of Our Company**

Except as stated in the ***‘Annexure 32: Statement of Related Parties’ Transactions’*** on page no. 186 and chapter titled ***“Statement of Financial Indebtness”*** on page no. 195 and in the chapter titled ***‘Restated Financial Statement’*** beginning on page no. 163 of this Draft Prospectus:

- Our Company has not availed any loans from our Directors of our Company as on the date of this Draft Prospectus;
- None of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

### **Interest as Director of our Company**

Except as stated in the chapter titled ***‘Our Management, ‘Capital Structure’ and ‘Annexure 32: Statement of Related Parties’ Transactions’*** beginning on page no. 135, 64 and 186 of this Draft Prospectus, our Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and in terms of our AoA.

### **Interest of Key Managerial Personnel**

None of the key managerial personnel has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration except as stated in the chapter titled ***‘Our Management, ‘Capital Structure’ and ‘Annexure 32: Statement of Related Parties’ Transactions’*** beginning on page no. 135, 64 and 186 of this Draft Prospectus.

### **Details of Service Contracts**

Except as stated in the ***‘Annexure 32: Statement of Related Parties’ Transactions’*** on page no. 186 and in the Chapter titled ***“Statement of Financial Indebtness”*** of our Company on page no. 195 of this Draft Prospectus, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment.

### **Bonus or Profit Sharing Plan for the Directors**

There is no bonus or profit sharing plan for the Directors of our Company.

### **Contingent and Deferred Compensation payable to Directors**

No Director has received or is entitled to any contingent or deferred compensation as on the date of filing this Draft Prospectus. Further, there is no contingent or deferred compensation accrued for the year, which is payable to our Directors as on the date of filing this Draft Prospectus.

### **Changes in the Board for the last three years**

Except as mentioned below, there has been no change in the Board of Directors since the inception:

<b>Name of Director</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Remarks</b>
Mr. Krupesh Deepak Thakur	Executive Director – (Additional Director)	21/03/2022	-	Fresh Appointment
Mr. Krupesh Deepak Thakur	Executive Director	30/09/2022	-	Regularization as Director of Company in AGM
Mrs. Abhilasha Nitin Thorave	Executive Director and CEO – (Additional Director)	17/12/2021	-	Change in designation
Mrs. Abhilasha Nitin Thorave	Executive Director and CEO	30/09/2022	-	Regularization as Director of Company in AGM
Mr. Sandeep Madhukar Joshi	Non -Executive Independent Director – (Additional Director)	21/03/2022	-	Fresh Appointment
Mr. Sandeep Madhukar Joshi	Non -Executive Independent Director	30/09/2022	-	Regularization as Director of Company in AGM

Name of Director	Designation	Date of Appointment	Date of Cessation	Remarks
Mr. Rajaram Laxman Thorve	Non -Executive Independent Director	21/03/2022	-	Fresh Appointment
Mr. Rajaram Laxman Thorve	Non -Executive Independent Director	30/09/2022	-	Regularization as Director of Company in AGM
Mr. Tejesh Vilas Patil	Non -Executive Independent Director	30/09/2022	-	Appointment Director of Company in AGM
Mr. Edwin Francis Dabre	Director	-	22/03/2022	Cessation due to Resignation u/s 168
Mrs. Tejal Anil Jayakar	Director	-	22/03/2022	Cessation due to Resignation u/s 168
Dr. Nitin Vitthalrao Thorave	Director	-	04/04/2019	Cessation due to Disqualification u/s 164
Mrs. Roshan Nitin Thorave	Director	-	04/04/2019	Cessation due to Disqualification u/s 164
Mr. Mahesh Gangaram Kadam	Director	-	30/09/2019	Cessation due to Resignation u/s 168
Mr. Edwin Francis Dabre	Executive director	30/09/2019	-	Change in designation

Applicable provision of the Companies Act, 2013 with respect to corporate governance and the provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time, will be applicable to our Company upon the listing of the Equity Shares with the Stock Exchanges in India.

Our Company is in compliance with the corporate governance code in accordance with Companies Act, 2013, SEBI (LODR) Regulations, 2015 and SEBI Regulations, as amended from time to time, particularly those relating to composition of Board of Directors and constitution of committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

### Composition of Board of Directors

Currently, the Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Our Board has 5 Directors, comprising of 2 Executive Director, 1 Non- Executive Director and 2 Non-Executive-Non Independent Director. Our Company has constituted the following Committees in compliance with the corporate governance norms:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee; and
- 3) Stakeholders Relationship Committee.

### Audit Committee

The Audit Committee was constituted *vide* Board resolution dated 30-08-2022, pursuant to section 177 of the Companies Act, 2013. As on the date of this Draft Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sandeep Joshi	Chairman	Non-Executive Independent Director

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Rajaram Thorve	Member	Non-Executive Independent Director
Mr. Tejesh Vilas Patil	Member	Non-Executive Independent Director

Our Company Secretary and Compliance Officer of the Company would act as the secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- 5) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document//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.
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 14) Discussion with internal auditors any significant findings and follow up there on.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism.
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

***The Audit Committee enjoys following powers:***

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

***The Audit Committee shall mandatorily review the following information:***

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

***Quorum and Meetings***

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

**Stakeholder`s Relationship Committee**

The Shareholders and Investors Grievance Committee have been formed by the Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 at the meeting held on 30-08-2022.

As on the date of this Draft Prospectus the Shareholders and Investors Grievance Committee consists of the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Rajaram Thorve	Chairman	Non-Executive Independent Director
Mr. Sandeep Joshi	Member	Non-Executive Independent Director
Mr. Tejesh Vilas Patil	Member	Non-Executive Independent Director

Our Company Secretary and Compliance Officer of the Company would act as the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013 and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;



3. Allotment of shares, monitoring and approving transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

#### **Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

#### **Nomination and Remuneration Committee**

The re-constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors pursuant to section 178 of the Companies Act, 2013 held on 30-08-2022.

As on the date of this Draft Prospectus the Remuneration Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Tejesh Vilas Patil	Chairman	Non-Executive Independent Director
Mr. Sandeep Joshi	Member	Non-Executive Independent Director
Ms. Abhilasha Nitin Thorave	Member	Non-Executive Director

Our Company Secretary and Compliance Officer of the Company would act as the secretary of the Nomination and Remuneration Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- 5) To recommend to the Board, the remuneration packages i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
- 6) To implement, supervise and administer any share or stock option scheme of our Company; and
- 7) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

#### **Quorum and Meetings**

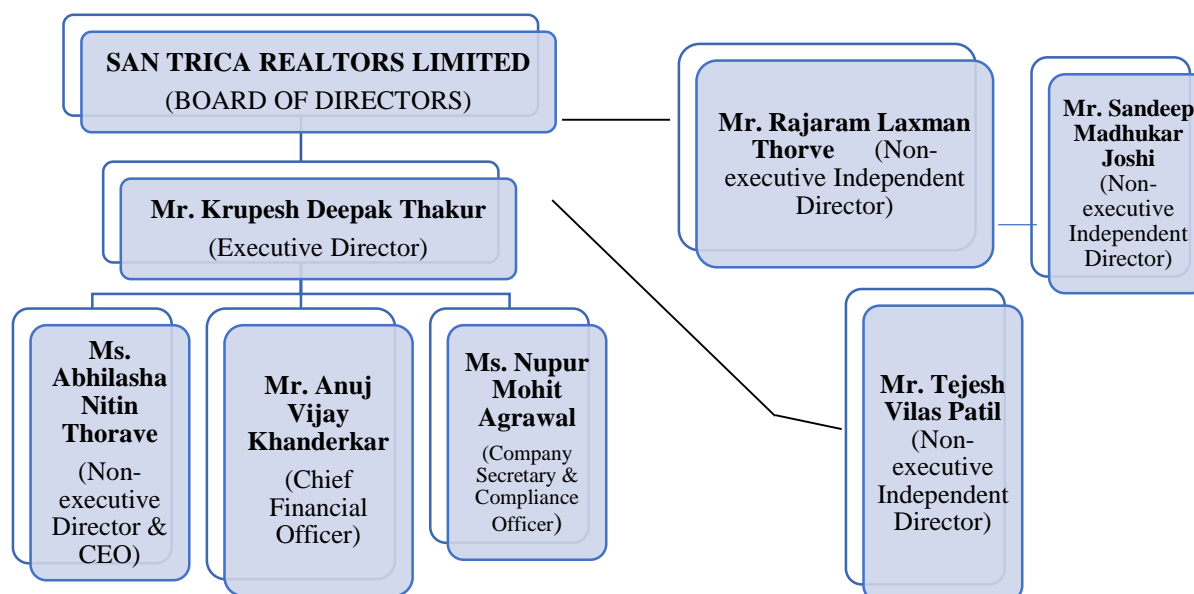
The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven day's notice in advance.

#### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, after listing of our Company's equity shares on the Stock Exchange in India. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

## ORGANIZATIONAL STRUCTURE OF THE COMPANY



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

### OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Executive Director & CEO as on the date of the Draft Prospectus. For details of our Executive Director & CEO, please refer "Our Management" on page no. 135 of this Draft Prospectus.

**Mr. Anuj Vijay Khanderkar**, aged 33 years, is the Chief Financial Officer of our Company. He is a qualified B.com and has 10 years of experience. No remuneration was paid to him during fiscal ended March 31, 2022.

**Ms. Nupur Mohit Agrawal**, aged 30 years, is the Company Secretary & Compliance Officer of our Company. She is a qualified B.Com, and Company Secretary and has an experience of 5 year. No remuneration was paid to her during fiscal ended March 31, 2022.

#### Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.

**Relationship between Key Managerial Personnel, Promoters and Directors**

None of the Key Managerial Personnel's are related to each other or Directors or Promoter and have any other family relationships as per section 2(77) of the Companies Act, 2013.

**Arrangement / Understanding with Major Shareholders / Customers / Suppliers**

As on the date of this Draft Prospectus, Our Company has no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Directors or Key Managerial Personnel was selected as a Director or member of senior management.

**Shareholding of the Key Managerial Personnel other than the Directors**

Sr. No.	Name of the KMP's	Designation	No. of Shares held in our Company	% of pre-issue paid-up Equity Share Capital
1.	Mr. Anuj Vijay Khanderkar	CFO	-	-
2.	Ms. Nupur Mohit Agrawal	CS & Compliance Officer	-	-
	<b>Total</b>		-	-

**Changes in Key Managerial Personnel during the last three years**

Following have been the changes in the Key Managerial Personnel during the last three years:

Name	Designation	Date of Appointment	Date of Cessation	Remarks
Ms. Nupur Mohit Agrawal	CS & Compliance Officer	20/10/2022	-	Fresh Appointment
Ms. Pranauti Paresh Belulkar	CS & Compliance Officer	-	15/10/2022	Resignation
Ms. Pranauti Paresh Belulkar	CS & Compliance Officer	01/04/2022	-	Fresh Appointment
Mr. Anuj Vijay Khanderkar	CFO	21/03/2022	-	Fresh Appointment
Ms. Abhilasha Nitin Thorave	CEO	21/03/2022	-	Change in Designation

**Interest of Key Managerial Personnel**

Except as disclosed in "Interest of Directors" on page no. 139 in respect of our Directors, none of our other key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Our key managerial personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration.

**Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel**

As on the date of this Draft Prospectus our Company does not have any performance linked bonus or profit-sharing plan with any of our key managerial personnel and any bonus and/ or profit-sharing plan for the Key Managerial Personnel, except the normal bonus payment as a part of remuneration.

#### **Contingent and Deferred Compensation payable to Key Managerial Personnel**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **Scheme of Employee Stock Options or Employee Stock Purchase (ESOP/ESPS SCHEME)**

Our Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme or any other similar scheme giving options in our Equity Shares to our employees.

#### **Loans to Key Managerial Personnel**

Except as disclosed in chapter '*Financial Statement*' beginning on page no. 163, there are no loans outstanding against the Key Managerial Personnel as on the date of this Draft Prospectus.

#### **Payment of Benefits to our Key Managerial Personnel (Non- Salary Related)**

Except for the payment of salaries, perquisites and reimbursement of expenses incurred in the ordinary course of business and as disclosed in '*Annexure 32: Statement of Related Parties' Transactions*' under the chapter '*Financial Statement*' beginning on page no.163 we do not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel. Further, we have not paid/ given any other benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Prospectus.

#### **Service Contracts with Key Managerial Personnel**

As on the date of this Draft Prospectus, our Company has not entered into any service contracts with the Key Managerial Personnel's.

## OUR PROMOTER AND PROMOTER GROUP

As on date of this Draft Prospectus, our Promoter holds 49,10,343 Equity Shares having face value of Rs. 10 per share and representing 74.72% of the pre-issue paid up Capital of our Company. For details of the build-up of our Promoter's shareholding in our Company, please see "**Capital Structure- Shareholding of our Promoter**" beginning on page no 64 of this Draft Prospectus.

### THE BRIEF PROFILE OF OUR INDIVIDUAL PROMOTER IS AS FOLLOWS:

#### DR. NITIN VITTHALRAO THORAVE



**Dr. Nitin Vitthalrao Thorave**, aged 52 years, is the Promoter of our Company. He is a BHMS, Post Graduate course in modern pharmacology from MUHS and presently perusing a healthcare management studies from Indian institute of management (IIM) Calcutta. He has got Executive Healthcare Management degree from Harvard Business School USA. Started his medical career with small Clinic as General Physician and expanded in healthcare from small diagnostic centre in Virar to various diagnostics hubs in India. He also has Vast Experience in Real Estate as well as Hospitality.

For a brief profile, complete detail on his appointment as a Director, positions / posts held in the past and in the present, other directorships and special achievements, please refer chapter titled "**Our Management**" on page no. 135 of this Draft Prospectus.

For details of his other ventures, please refer "Our Group Companies/Entities" on page no. 156 of this Draft Prospectus.

<b>PAN</b>	ACBPT2601D
<b>Nationality</b>	Indian
<b>Address</b>	Swarnashilp Bunglow, Vartak Road, Behind Arti Apartment, Virar (West), Vasai Virar Municipal Corporation, Palghar- 401303, Maharashtra, India
<b>Other Details</b> - E. C. Voter Id No. - Driving License No.	- WEH3607207 - MH09 19900006714
<b>Other Directorship</b>	<ul style="list-style-type: none"> <li>▪ Thorve Patil Builders And Developer Private Limited</li> <li>▪ Pune Built Art Infrastructure Private Limited</li> <li>▪ Ann Martins Inn (India) Private Limited</li> <li>▪ Pune Agro Hotels And Resorts Private Limited</li> <li>▪ Sanjgaon Food Courts And Hotels Private Limited</li> <li>▪ KET Food Courts And Hotels Private Limited</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Virar Rugna Seva Private Limited</li> <li>▪ Nidan Heartcare Private Limited</li> <li>▪ Nidan Hospitals AndResearchs Limited</li> <li>▪ Nitsan Real Estate LLP</li> <li>▪ Arnala Beach Resort</li> <li>▪ Dr. Nitin Thorave (Proprietorship Firm)</li> </ul>
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*For details of the build-up of our Promoter' shareholding in our Company, please see "Capital Structure – Shareholding of our Promoter" beginning on page no 64 of this Draft Prospectus.*

#### **Other Declaration and Confirmations**

Our Company hereby confirms that the personal details of our Individual Promoter viz., Permanent Account Number, Passport Number and Bank Account Number will be submitted to the Stock Exchange at the time of filing this Draft Prospectus with them.

#### **Our Promoter, members of our Promoter Group, Promoter Group Entities/ Companies confirm that:**

- They have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction 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;
- They have not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018;
- Have not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016;
- They are not a Promoter, directors or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI;
- They have not been identified as a willful defaulter by RBI or any other Government authority; and
- There are no violations of securities laws committed by them in the past or any such proceedings are pending against the them.

#### ***Relationship of Promoter with our Directors***

Dr. Nitin Vitthalrao Thorave does not hold directorship in any Company since his disqualification under Section 164 (2) of Companies Act, 2013 as on the date of filing the Prospectus except as mentioned below. For details regarding his directorship and change in the board for the last three years in our Company, please refer to the chapter titled "***Our Management***" on page 135 of this Draft Prospectus.

Except for Ms. Abhilasha Nitin Thorave being Daughter of Dr. Nitin Vitthalrao Thorave, Our Company's Directors and/ KMP are neither related to each other nor do they have any other family relationships as per section 2(77) of the Companies Act, 2013.

#### ***Change in the Management and control of our Company***

Our Promoter is the original Promoter of our Company and there has been no change in the Promoter, management or control of our Company in the five years immediately preceding the date of this Draft Prospectus.

#### ***Details of Companies / Firms from which our Promoter have disassociated***

Except as mentioned below, our Promoter has not disassociated himself from any firms or companies in the last three (3) years preceding this Draft Prospectus:

Pune Built Art Infrastructure Private Limited	Strike Off
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Pune Agro Hotels And Resorts Private Limited	Strike Off
KET Food Courts And Hotels Private Limited	Strike Off
Virar Rugna Seva Private Limited	Strike Off
Nidan Heartcare Private Limited	Strike Off
Nidan Hospitals AndResearchs Limited	Strike Off

### **Common Pursuits of Our Promoter**

As on the date of this Draft Prospectus, our Promoter is also a Promoter/ Director/ Shareholder of our Group Companies/ Entities as listed in the section “Our Group Companies” which are engaged in the similar business of our Company and have objects similar to that of our Company’s business.

Further, as on the date of filing this Draft Prospectus, we do not have any non-compete agreement/arrangement with any of our Group Entities, currently. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

For details of our members forming a part of our Promoter Group and Prompter Group Company/entities, please refer to Section titled “*Our Promoters and Promoter Group*” and “*Our Group Companies / Entities*” on page no. 149 and 156 and ‘*Annexure 32: Statement of Related Parties’ Transactions*’ in the chapter titled ‘*Restated Financial Statement*’ beginning on page no. 163 of this Draft Prospectus.

### **Interest of Promoter**

#### ***Interest in promotion of Our Company***

Our Promoter holds 49,10,343 Equity Shares aggregating to 50.25% of pre-issue Equity Share Capital in our Company. Our Promoter is interested to the extent that he has promoted our Company and to the extent of his directorship and shareholding in our Company & dividend payable thereon, if any and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For details regarding shareholding of our Promoter in our Company, please refer to the chapters titled “*Capital Structure*” and “*Our Management*” on page no. 64 and 135, respectively of this Draft Prospectus.

Our Promoter may be interested to the extent of unsecured loans granted to our Company, if any. Further, our Promoter may also be 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. Further, they may be deemed to be interested to the extent of transactions carried on / payment made by our Company to the proprietorship firm / partnership firm / companies in which they may act as a Proprietor/ Partner / Promoter and/or Directors. For further details, please refer to ‘*Annexure 32: Statement of Related Parties’ Transactions*’ in the chapter titled ‘*Restated Financial Information*’ beginning on page no. 163 of this Draft Prospectus.

Our Promoter is not the Director of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of our Company. For further details in this regard, please refer chapter titled “*Our Management*” on page no. 135 of this Draft Prospectus.

Our Promoter is also Promoter, Director and Shareholder of our Promoter Group Entities/ Companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies and to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations. For further details please see “*Our Group Companies/Entities*” beginning on page no. 156 of this Draft Prospectus.

### **Experience of our Promoter in the business of our Company**

For details in relation to experience of our Promoter in the business of our Company, see Chapter “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on page no. 149 and 135 of this Draft Prospectus.

### ***Interest in the property of Our Company***

Except as disclosed in the chapters titled ***“Our Business”*** beginning on page no. 104 and ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Information’*** beginning on page no. 163 of this Draft Prospectus, our Promoter does not have any interest in any property acquired three (3) years prior to the date of this Draft Prospectus.

Except as disclosed in the chapters titled ***“Our Business”*** beginning on page no. 104 and ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Information’*** beginning on page no. 163 of this Draft Prospectus, our Promoter is currently not interested in various transactions with our Company involving acquisition of land, construction of building or supply of any machinery.

Our Promoter may be interested in transactions of our Promoter Group Companies/ Entities to the extent of their being the Promoter/ Directors/ Shareholders wherein the Promoter Group Companies/ Entities are involved in acquisition of land, construction of building or supply of any machinery. For further details please see ***“Our Group Companies/Entities”*** beginning on page no. 156 of this Draft Prospectus.

One of our Promoter- Dr. Nitin Vitthalrao Thorave may also be interested in rent being paid by our Company to extent of his ownership in the registered office which is being occupied by our Company. For further details please see ***“Our Business”*** and ***“Financial Statements”*** beginning on page nos. 104 and 163 of this Draft Prospectus.

### ***Interest in transactions involving acquisition of land***

As on the date of this Prospectus, except as disclosed in ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Information’*** beginning on page no. 163 of this Draft Prospectus, our Promoters does not have any interested in any property or in any transaction involving acquisition of land, construction of building or supply of any machinery by our Company. However, Our Promoter may be interested in transactions of our Promoter Group Companies/ Entities to the extent of their being the Promoter/ Directors/ Shareholders wherein the Promoter Group Companies/ Entities are involved in acquisition of land, construction of building or supply of any machinery. For further details please see ***“Our Group Companies/Entities”*** beginning on page no. 156 of this Draft Prospectus.

### ***Interest as a creditor of Our Company***

Except as stated in the ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Statement’*** beginning on page no. 163 of this Draft Prospectus, our Company has not availed any loans from the Promoter of our Company as on the date of this Draft Prospectus.

### ***Interest as Director of our Company***

Our Promoter- Dr. Nitin Vitthalrao Thorave does not hold directorship in the Company as on the date of filing the Prospectus. For details regarding on directorship and change in the board for the last three years in our Company, please refer to the chapter titled ***“Our Management”*** on page 135 of this Draft Prospectus.

Except as stated in ***‘Annexure 32: Statement of Related Parties’ Transactions’*** in the chapter titled ***‘Restated Financial Information’*** beginning on page no. 163 of this Draft Prospectus and shareholding of our Promoter in our Company in the chapter titled ***“Capital Structure”*** beginning on page no. 64 of this Draft Prospectus, our Promoter does not have any other interest in our company.

### ***Interest as members of our Company***

Our Promoter is interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled ***“Capital Structure”*** beginning on page no. 64 of this Draft Prospectus.

Our Company has neither made any payments in cash or otherwise to our Promoter or to firms or companies in which our Promoter is interested as Members, Directors or Promoter nor have our Promoter been offered any inducements



to become Directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated '**Annexure 32: Statement of Related Parties' Transactions**' on page no. 186 of the chapter titled '**Financial Statements**' beginning on page no. 163 of this Draft Prospectus and "**Our Group Companies/Entities**" beginning on page no. 156 of this Draft Prospectus.

#### ***Other Ventures of our Promoter of Our Company***

Except as disclosed in the chapter titled '**Our Promoters and Promoter Group**' and '**Our Group Companies/Entities**' beginning on page no. 149 and 156 of this Draft Prospectus, there are no other ventures of our Promoter in which they have any other business interests/other interests.

#### ***Payment or Benefit to Promoter of Our Company***

Save and except as stated otherwise in '**Annexure 32: Statement of Related Parties' Transactions**' in the chapter titled '**Restated Financial Information**' beginning on page no. 163 of this Draft Prospectus, no payment has been made or benefit given or is intended to be given to our Promoter in the three (3) years preceding the date of this Draft Prospectus.

#### ***Related Party Transactions***

For details of related party transactions entered into by our Promoter, members of our Promoter Group and our Company, please refer to '**Annexure 32: Statement of Related Parties' Transactions**' on page no. 186 of the chapter titled '**Financial Statements**' beginning on page no. 163 of this Draft Prospectus.

#### ***Guarantees***

Our Promoter(s) have given personal guarantees, respectively, towards financial facilities availed from Bankers of our Company; therefore, they are interested to the extent of the said guarantees. For details, please refer to '**Statement of Financial Indebtness**' on page no. 195 of the chapter titled '**Financial Statements**' beginning on page no. 163 of this Draft Prospectus

Except as stated in the '**Statement of Financial Indebtness**' on page no. 195 of the chapter titled '**Financial Statements**' beginning on page no. 163 of this Draft Prospectus, respectively, there are no material guarantees given by the Promoter to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

#### ***Litigation details pertaining to our Promoter***

For details of legal and regulatory proceedings involving our Promoter, please refer chapter titled "**Outstanding Litigation and Material Developments**" beginning on page 197 of this Draft Prospectus.

### **OUR PROMOTER GROUP**

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

#### **1) Natural Persons who are part of the Promoter Group**

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoter, are as follows:

<b>Relationship with Promoter</b>	<b>Dr. Nitin Vitthalrao Thorave</b>
Father	Mr. Vithalrao Laxman Thorve
Mother	Mrs. Shantabai Vithalrao Thorve

Relationship with Promoter	Dr. Nitin Vitthalrao Thorave
Spouse	Mrs. Roshan Nitin Thorave
Brother	Mr. Avinash Vitthalrao Thorave
Sister	Mrs. Lata Vitthal Hande
	Mrs. Kavita Jagannath Pathare
Son	Mr. Haripreet Nitin Thorave
Daughter	Ms. Akanksha Nitin Thorave
	Ms. Abhilasha Nitin Thorave
Spouse`s Father	Late Mr. Vishnu Waman Thakur
Spouse`s Mother	Late Mrs. Vasanti Vishnu Thakur
Spouse`s Brother(s)	-
Spouse`s Sister(s)	Mrs. Aruna Milind Pitale
	Mrs. Bharati Ashok Patil

**2) As per Regulation 2(1) (pp) (iv) of the SEBI (ICDR) Regulations, 2018, Companies/ Corporate Entities, Firms, Proprietorships and HUFs which form part of our Promoter Group are as follows:**

As per the extent of information available in relation to our Promoter group, there are no other companies, firms, proprietorships and HUF's forming part of our Promoter Group as on date of this Draft Prospectus except mentioned below: -

Sr. No.	Name of the Promoter Entities/Company
1.	Nidan Laboratories and Healthcare Limited
2.	Techbuilt Infrastructure and Developers Private Limited
3.	Tech Art Infrastructure Private Limited
4.	Thorve Patil And Abrol Constructions Private Limited
5.	Dr. Nitin V. Thorve Patil Infrs And Properties Private Limited
6.	Origin Associates Private Limited
7.	Junnar Sugars Limited
8.	Virar Townships Private Limited
9.	Thorve Patil Realtors Private Limited
10.	Arnala Beach Resort
11.	Dr. Nitin Thorave (Proprietorship Firm)

**Confirmations/ Undertaking**

None of our individual members forming a Promoter Group or Group Companies/Entities or person in control of our Company:

- Has been 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
- Has been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad; or
- Has a negative net worth as of the date of the respective last audited financial statements; or
- Has been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority; or
- Has not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018; or
- Have not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016 or

- Has not been identified as a willful defaulter by RBI or any other Government authority; or
- Has not committed any violations of securities laws in the past or does not any such proceedings that are pending against them.

Further, neither our Promoter nor the relatives of our individual Promoter (as defined under the Companies Act) have been declared as a willful defaulter 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.

## OUR GROUP COMPANIES/ ENTITIES

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 which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India such other companies as considered material by our Board.

Under the SEBI ICDR Regulations, the definition of 'group companies' includes such companies (other than the promoters and subsidiaries) with which the Company related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and such other companies as are considered material by the Board. Pursuant to a Board resolution dated August 30, 2022, our Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that: i) all companies with which the Company has entered into related party transactions as set out in the Restated Financial Statements; ii) or such other companies as considered material by the Board are identified as Group Companies.

Accordingly, our Board has identified following entities as our Group Companies, and other than these entities, there are no companies which are considered material by the Board to be identified as group companies. Set forth below are details of our Group Companies as on the date of this Draft Prospectus.

The detail of our group company is as follows:

### 1. NIDAN LABORATORIES AND HEALTHCARE LIMITED (NLAHL)

<b>Pan Card No.</b>	: AADCA4257H
<b>CIN</b>	: L33111MH2000PLC129883
<b>Date of Incorporation</b>	: December 05, 2000
<b>Registered Office Address</b>	: SY No. 294/A H. No. 18, Swapnshilpa, Behind Aarti Apartment, Vartak Road, Virar (w), Thane, Mumbai-401303, Maharashtra, India
<b>Name of the Promoters</b>	: Dr. Nitin Vitthalrao Thorave
<b>Name of the Directors</b>	: Mr. Edwin Francis Dabre Ms. Tejal Anil Jayakar Mr. Abhinay Nerurkar Mr. Nilesh Bide Mr. Karim Khimani Mr. Krupesh Thakur

### Main Objects of the NLAHL

The main objects of the Company to be pursued by the Company on its incorporation:

- To carry on the business of Diagnostic Centre, (Such as X-Ray, Sonography, 2 D ECHO, PFT, CST, C.T. Scan, MRI etc.) Blood Bank, Pathology Laboratories, Dialysis Unit, Intensive Care Unit, Burn & Poisoning Centre and Poly Clinic.

### Interest of our Promoter in NLAHL

Our Promoter Dr. Nitin Vitthalrao Thorave holds 8,941,500 equity shares constituting 64.33% of the issued and paid up share capital of NLAHL.

### Shareholding Pattern of the Company as on the date of filing the Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Shares Held	% of Holding
1.	Promoter & Promoter Group	98,99,400	71.22
2.	Public	40,00,600	28.78
	<b>Total</b>	<b>1,39,00,000</b>	<b>100.00</b>

#### Financial Information of NLAHL:

The brief financial details of NLAHL derived from its audited financial statements, for Fiscals 2022, 2021 and 2020 are set forth below:

Particulars	As at March 31,		
	2022	2021	2020
Equity Capital	1,390	9,90.00	9,90.00
Reserves (excluding revaluation reserve) and Surplus	5,199.89	3,43.10	1,12.86
<b>Net Worth</b>	<b>6,589.89</b>	<b>1,309.93</b>	<b>1,102.86</b>
Income including other income	3006.24	2143.88	2219.19
Less: Expenses	2554.19	1813.64	2147.72
<b>Profit/ (Loss) after tax</b>	<b>452.05</b>	<b>330.24</b>	<b>71.47</b>
Earnings per share (face value of Rs. 10 each)	2.32	2.33	1.00
Net asset value per share	47.41	13.23	11.14

The authorized capital of the NLAHL is Rs. 2,000.00 Lakhs divided in 2,00,00,000 equity shares of face value of Rs. 10.00 per equity shares.

The issue, subscribed and paid capital of the NLAHL is Rs. 1,390.00 Lakhs divided into 1,39,00,000 equity shares of Rs. 10.00 per equity share.

#### Changes in the Management and Control in NLAHL

There has been no change in the management and control of NLAHL in the three years preceding the date of this Draft Prospectus.

#### Other Interest of our Promoters in NLAHL

As on the date of filing this Draft Prospectus, the details of other interest of our Promoter in NLAHL is as follows:

- One of the Promoter of NLAHL i.e. Dr. Nitin Vitthalrao Thorave is also the Promoter of our Company.
- The director of NLAHL i.e. Mr. Krupesh Deepak Thakur is also the Director of our Company.
- Except for Dr. Nitin Vitthalrao Thorave, Mrs. Roshan Nitin Thorave, Ms. Tejal Anil Jayakar, Hariprit Nitin Thorave, Mr. Vitthal Laxman Thorave, Mr. Edwin Francis Dabre & Ms. Abhilasha Nitin Thorave none of the other Shareholders of TIDPL are not shareholders of our Company as on the date of filing this Draft Prospectus. For details on shareholding, please refer to chapter titled “*Capital Structure*” beginning on page no. 64 of this Draft Prospectus.

#### Other Disclosures as the date of filing this Draft Prospectus:

- NLAHL is listed on NSE Emerge Platform.
- NLAHL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against NLAHL.
- There are no outstanding criminal/civil/ labour/ tax matter litigations pending or filed by or against our company and No criminal/civil/ labour/ tax matter notices are/ were served in the name of the company and no penalties

have been imposed except as disclosed in section titled “**Outstanding Litigations and Material Developments**” beginning on page no. 197 respectively of this Draft Prospectus.

- NLAHL has positive net-worth and has made a loss in the immediately preceding years.
- No application has been made to RoC for striking off the name of NLAHL nor has it been declared as a Defunct Company.
- NLAHL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- The details of the NLAHL is available on its website <http://www.nidanhealthcare.co.in/>
- Except as disclosed in chapters titled “**Capital Structure**”, “**Our Business**”, “**Our Management**” and in ‘**Annexure 32: Statement of Related Parties**’ Transactions’ in the chapter titled ‘**Restated Financial Information**’ beginning on page nos. 64, 104, 135, 163 respectively of this Draft Prospectus; NLAHL is not
  - Interested in the promotion of our Company;
  - Interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of Draft Prospectus;
  - Interested in any transaction for acquisition of land, construction of building or supply of machinery;
  - Interested in the business of our Company or interested of any other nature as on the date of this Draft Prospectus;
- There has been no payment of benefits to NLAHL made by our Company during three years preceding the filing of Draft Prospectus except as disclosed in ‘**Annexure 32: Statement of Related Parties**’ Transactions’ in the chapter titled ‘**Restated Financial Information**’ beginning on page no. 163 respectively of this Draft Prospectus.

## 2. M/S. AKANKSHA DEVELOPERS (PROPRIETARY FIRM)

<b>Pan Card No.</b>	: ACBPT2601D
<b>Firm Registration No.</b>	: N.A.
<b>Date of Incorporation</b>	: in the year 1994
<b>Registered Office Address</b>	: Swapnashilpa, Vartak Road, Behind Aarti Apartment Virar west 401303
<b>Name of the Proprietor</b>	: Dr. Nitin Vitthalrao Thorave
<b>Main Objective of the Proprietary Firm</b>	: Construction and Developers

### Interest of our Promoters in Akanksha Developers

Our Promoter- Dr. Nitin Vitthalrao Thorave has 100 % in the Proprietary Firm.

### Financial Information of Akanksha Developers:

The brief financial details of Akanksha Developers derived from its audited financial statements, for Fiscals 2022, 2021 and 2020 are set forth below:

Particulars	As at March 31,		
	2022	2021	2020
Capital of the Firm	1312.53	1308.65	1361.04
Term Loan	450.10	453.76	445.98
Other Current Assets	156.84	160.63	128.47
Net Profit	43.50	40.78	59.42

**Changes in the Management and Control in Proprietary Firm-** Not Applicable.

### Other Interest of our Promoter in Proprietary Firm

As on the date of filing this Draft Prospectus, the details of other interest of our Promoter in Akanksha Developers- Proprietary Firm is as follows:

- The Proprietor of Akanksha Developers- Proprietary Firm i.e. Dr. Nitin Vitthalrao Thorave is also the Promoter of our Company.

- The Proprietor of Akanksha Developers- Proprietary Firm i.e. Dr. Nitin Vitthalrao Thorave has business interest in our company i.e. to the borrowings, extent of sales, purchase and revenue earned. For details on Related Party Transactions of our Company with Akanksha Developers- Proprietary Firm, please refer to '**Annexure 32: Statement of Related Parties' Transactions**' on page no. 186 of the chapter titled '**Restated Financial Information**' beginning on page no. 163 of this Draft Prospectus.

#### **Other Disclosures relating to the Proprietary Firms as the date of filing this Draft Prospectus:**

- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against Proprietary Firms.
- There are no outstanding criminal/civil/ labour/ tax matter litigations pending or filed by or against our firm and No criminal/civil/ labour/ tax matter notices are/ were served in the name of the firm and no penalties have been imposed except as disclosed in section titled "**Outstanding Litigations and Material Developments**" beginning on page no. 197 respectively of this Draft Prospectus.
- No application has been made for striking off the names of Proprietary Firms nor has it been declared as a Defunct Firms.
- The Proprietary Firms are not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- Except as disclosed in chapters titled "**Capital Structure**", "**Our Business**", "**Our Management**" and in '**Annexure 32: Statement of Related Parties' Transactions**' in the chapter titled '**Restated Financial Statement**' beginning on page nos. 64, 104, 135 and 186 respectively of this Draft Prospectus; the Proprietary Firms is not
  - Interested in the promotion of our Company;
  - Interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of Draft Prospectus;
  - Interested in any transaction for acquisition of land, construction of building or supply of machinery;
  - Interested in the business of our Company or interested of any other nature as on the date of this Draft Prospectus;
  - There has been no payment of benefits to Proprietary Firms made by our Company since its incorporation till filing of this Draft Prospectus except as disclosed in '**Annexure 32: Statement of Related Parties' Transactions**' on page no. 186 of the chapter titled '**Restated Financial Information**' beginning on page no. 163 of this Draft Prospectus.

#### **Nature and Extent of Interest and other Confirmations of our Group Entities/ Companies**

##### **Interest of Our Group Entities/ Companies**

Except as disclosed in chapters titled "**Capital Structure**", "**Our Business**", "**Our Management**" and in '**Annexure 32: Statement of Related Parties' Transactions**' in the chapter titled '**Restated Financial Information**' beginning on page nos. 64, 104, 135, 163 respectively of this Draft Prospectus; none of our Group Entities/ Companies are:

- Interested in the promotion of our Company;
- Interested in any transaction for acquisition of land, construction of building or supply of machinery;
- Interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of Draft Prospectus;
- Interested in the business of our Company or interested of any other nature as on the date of this Draft Prospectus;
- Have business interest in our company, except for certain business relationships that our Company has entered into with our Group Companies/ Entities in their ordinary course of business.

##### **Common Pursuits amongst Our Group Entities/ Companies and Our Company**

Except as disclosed in '**Annexure 32: Statement of Related Parties Transactions**' on page no. 186 in the chapter titled '**Restated Financial Statement**' beginning on page no. 163 of this Draft Prospectus, there are no common pursuits between Our Group Entities/ Companies and Our Company.

##### **Payment or Benefit to our Group Entities**

Except as stated disclosed in ‘**Annexure 32: Statement of Related Parties**’ Transactions’ in the chapter titled ‘Restated Financial Statement’ beginning on page no. 163 of this Draft Prospectus, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Draft Prospectus.

▪ **Litigation Related:**

Except as disclosed in section titled “**Outstanding Litigations and Material Developments**” beginning on page no. 197 respectively of this Draft Prospectus, there are no outstanding criminal/civil/ labour/ tax cases and/ or notices pending or filed by or against any of our Group Entities/ Companies.

▪ **Other Confirmations:**

- Except for Nidan Laboratories and Healthcare Limited, None of our Group Entities/ Companies is a listed on any Stock Exchange in India or abroad.
- None of our Group Entities/ Companies except for Nidan Laboratories and Healthcare Limited which has made Public Issue in NSE Emerge platform in year has made any public or rights issue of securities in the three years from the date filing this Draft Prospectus.
- None of our Group Entities/ Companies has been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985;
- Except as mentioned below, none of our Group Entities/ Companies has been declared as a defunct and/or no application has been made to the Registrar of Companies for striking off the name of our Group Companies during the (5) five years preceding the date of this Draft Prospectus:

Pune Built Art Infrastructure Private Limited	Strike Off
Pune Agro Hotels And Resorts Private Limited	Strike Off
KET Food Courts And Hotels Private Limited	Strike Off
Virar Rugna Seva Private Limited	Strike Off
Nidan Heartcare Private Limited	Strike Off
Nidan Hospitals and Researchs Limited	Strike Off

- There are no winding up proceedings against any of our Group Entities/ Companies;
- None of our Group Entities/ Companies has been declared as “Dormant U/s 455” as on date of this Draft Prospectus.
- None of our Group Entities/ Companies has defaulted in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against any of our Group Entities/ Companies.
- None of our Group Entities/ Companies have any corporate insolvency resolution process commenced against them under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.
- None of our Group Entities/ Companies has a negative net-worth and has made a loss in the immediately preceding years other than as stated in the Draft Prospectus.
- None of our Group Entities/ Companies have not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.



## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to '*Annexure 32: Statement of Related Parties' Transactions*' on page no. 186 of the chapter titled 'Restated Financial Statements' beginning on page no. 163 of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. However, Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

Our Company has not declared and/or paid any dividend on equity shares since its incorporation.

## SECTION IX - FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT ON THE RESTATED FINANCIAL STATEMENTS OF SAN TRICA REALTORS LIMITED

To,  
The Board of Directors,  
**San Trica Realtors Limited**  
Swapnshilp, Behind Aarti Apartment,  
Vartak Road, Virar (West) 401 303, Thane,  
Mumbai, Maharashtra, India

**Sub: Proposed Public Issue of 32,00,000 equity shares of face value of Rs. 10.00 each for cash at a price of Rs. 125.00 (Including Share Premium of Rs. 115.00/- per Equity Share) per Equity Share aggregating Rs. 4000 Crores through the fixed price route.**

Dear Sirs,

- 1) We have examined the attached Restated Summary Statements and Other Financial Information of SAN TRICA REALTORS LIMITED, (Hereinafter referred to as “the Company”) described below and annexed to this report for the Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020 based on the audited financial statements for the Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020, (collectively referred to as the “Restated Summary Statements” or “Restated Financial Statements”) of the Company as duly approved by the Board of Directors of the Company in their meeting held on 20.10.2022 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of.
- 2) The said Restated Financial Statements and other Financial Information have been examined and prepared for the purpose of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as “Offer Document”) in connection with the proposed Initial Public Offering (IPO) on EMERGE platform of NSE of the company taking into consideration the followings and in accordance with the following requirements of:
  - Section 26 of Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014, as amended from time to time;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations), 2018 (the ‘SEBI ICDR Regulations’) as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
  - The Guidance Note on Reports in Company Draft Prospectus / Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) (“Guidance Note”);
  - The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations; and
  - The terms of reference to our engagement letter with the company dated September 15, 2022 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on EMERGE platform of NSE (“IPO” or “SME IPO”).
- 3) These Restated Standalone Financial Information (included in Annexure 1 to 32) have been extracted by the Management of the Company from:

The Company’s Financial Statements for the Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020 and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company’s Management. The Financial Statement of the Company for the Quarter ending on June 30, 2022 has been audited by M/s. Ravindra Kumar Chapawat & Co., Chartered Accountants and which has been limited reviewed has been audited and for the financial years ended from 31<sup>st</sup> March 2020 to 31<sup>st</sup> March 2022 has been audited by M/s. Ashutosh D. Vidwans & Co., Chartered Accountants, as statutory auditors and they had issued unqualified reports for these years.

- 4) In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
- (a) The Restated Statement of Assets and Liabilities as at Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020, examined by us, as set out in Annexure 1 to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
  - (b) The Restated Statement of Profit and Loss of the Company for at Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020 examined by us, as set out in Annexure 2 to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
  - (c) The Restated Statement of Cash Flows of the Company for Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020, examined by us, as set out in Annexure 3 to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.

As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- 5) Based on the above, as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the financial Quarter ending on June 2022 and financial year ended on March 31<sup>st</sup> 2022, 2021, 2020, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement:
- (a) Have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as on Quarter ending on June 2022.
  - (b) have been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years to which they relate to;
  - (c) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
  - (d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial from Quarter June 2022, March 31<sup>st</sup> 2022, March 31<sup>st</sup> 2021 and year ended March 31<sup>st</sup> 2020 which would require adjustments in this Restated Financial Statements of the Company;
  - (e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this report;
  - (f) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
  - (g) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;

- (h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - (i) The Company has not paid any dividend since its incorporation.
- 6) We have also examined the following other Restated Financial Information as set out in the respective Annexure to this report and forming part of the Restated Financial Statement, prepared by the management of the Company and approved by the Board of Directors on October 20, 2022 relating to the company for the Quarter June 2022, March 31<sup>st</sup>2022, March 31<sup>st</sup> 2021 and year ended March 31<sup>st</sup> 2020 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO:
- 1. Statement of Share Capital and Reserves & Surplus, as restated in Annexure 05 to this report.
  - 2. Statement of Long-Term Borrowings as restated in Annexure 06 to this report.
  - 3. Statement of Long-Term Provisions as restated in Annexure 07 to this report
  - 4. Statement of Short-Term Borrowings as restated in Annexure 08 to this report.
  - 5. Statement of Trade Payables as restated in Annexure 09 to this report.
  - 6. Statement of Current Liabilities as restated in Annexure 10 to this report.
  - 7. Statement of Short-Term Provisions as restated in Annexure 11 to this report.
  - 8. Statement of Fixed Assets as restated in Annexure 12 to this report.
  - 9. Statement of Non-Current Investments as restated in Annexure 13 to this report.
  - 10. Statement of Long-Term Loans and Advances as restated in Annexure 14 to this report.
  - 11. Statement of Deferred Tax Asset /(Liabilities) as restated in Annexure 15 to this report.
  - 12. Statement of Current Investment as restated in Annexure 16 to this report.
  - 13. Statement of Inventory as restated in Annexure 17 to this report.
  - 14. Statement of Trade Receivables as restated in Annexure 18 to this report.
  - 15. Statement of Cash and Cash Equivalents as restated in Annexure 19 to this report.
  - 16. Statement of Short-term loans and advances as restated in Annexure 20 to this report.
  - 17. Statement of other current assets as restated in Annexure 21 to this report
  - 18. Statement of Revenue from Operations as restated in Annexure 22 to this report.
  - 19. Statement of Other Income as restated in Annexure 23 to this report.
  - 20. Statement of Cost of purchases of services and materials as restated in Annexure 24to this report.
  - 21. Statement of Employee Benefit Expenses as restated in Annexure 25 to this report.
  - 22. Statement of Finance Costs restated in Annexure 26 to this report.
  - 23. Statement of Other Expenses as restated in Annexure 27 to this report.
  - 24. Statement of Dividend Declared as restated in Annexure 28 to this report.

25. Statement of Capitalization as restated in Annexure 29 to this report.
26. Statement of Tax Shelters as restated in Annexure 30 to this report.
27. Statement of Contingent Liabilities as restated in Annexure 31 to this report.
28. Statement of Related Party Transactions as restated in Annexure 32 to this report.
29. Other Financial Information as restated in Annexure 33 to this report.
- 7) We, M/s R. K. Chapawat & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid Peer Review Certificate Number 014267 dated 31.05.2022 issued by the “Peer Review Board” of the ICAI.
- 8) 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.
- 9) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Standalone Financial Information referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11) In our opinion, the above Restated Financial Statements contained in Annexure 1 to 33 to this report read along with the ‘Significant Accounting Policies and Notes to the Restated Standalone Financial Statements’ appearing in Annexure 4 after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 12) Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed SME IPO of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

FOR R.K. CHAPAWAT & CO  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO.:101708W

RAVINDRA. K. CHAPAWAT  
MEMBERSHIP NO.: 037720  
PARTNER

PLACE: VIRAR  
DATE: 28.10.2022  
PU NO.: 014267  
UDIN: 22037720BEXSIF6878

**ANNEXURE 01**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED:**

Particulars	Annexure nos.	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	657.15	567.35	1.38	1.38
Share Application Money					
Reserve & Surplus	5	437.95	-850.42	-1005.44	-815.20
<b>Total (A)</b>		<b>1095.09</b>	<b>-283.06</b>	<b>-1004.06</b>	<b>-813.82</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings	6	602.86	1726.31	2319.07	2250.46
Deferred Tax Liabilities (Net)					
Long Term Provisions	7				
<b>Total (B)</b>		<b>602.86</b>	<b>1726.31</b>	<b>2319.07</b>	<b>2250.46</b>
<b>Current Liabilities</b>					
Short Term Borrowings	8	50.78	45.74	41.21	37.12
Trade Payables	9	18.26	18.86	11.77	10.83
Other Current Liabilities	10	45.73	45.43	45.00	14.00
Short Term Provisions	11	0.75	8.50	0.00	0.00
<b>Total (C)</b>		<b>115.52</b>	<b>118.53</b>	<b>97.98</b>	<b>61.95</b>
<b>Total (D=A+B+C) - TOTAL LIABILITIES</b>		<b>1813.48</b>	<b>1561.77</b>	<b>1412.99</b>	<b>1498.59</b>
<b>Fixed Assets</b>					
	12				
Tangible Asset		811.28	831.90	919.45	1,003.90
	12				
Intangible Asset		5.16	5.16	5.16	5.16
Non-Current Investments	13	1.23	1.23	1.23	1.23
Long Term Loans & Advances	14	222.97	89.62	99.61	98.11
Other Non-Current Assets					
Deferred Tax Assets	15	-6.33	-6.33	-6.33	-6.33
<b>Total (E)</b>		<b>1034.31</b>	<b>921.58</b>	<b>1019.12</b>	<b>1102.07</b>
<b>Current Assets</b>					
Current Investments	16	15.00	0.00	0.00	0.00
Inventories	17	8.80	2.57	0.00	0.00
Trade Receivables	18	13.34	13.34	12.34	12.96
Cash & Bank Balances	19	371.95	254.2	11.45	17.48
Short Term Loans & Advances	20	370.00	370.00	370.00	366.00
Other Current Assets	21	0.08	0.08	0.08	0.08
<b>Total (F)</b>		<b>779.17</b>	<b>640.19</b>	<b>393.87</b>	<b>396.52</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>		<b>1813.48</b>	<b>1561.77</b>	<b>1412.99</b>	<b>1498.59</b>

**ANNEXURE 02**  
**STATEMENT OF PROFIT & LOSS AS RESTATED**

Rs in lakhs

Particulars	Annexure nos.	30th June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Revenue</b>					
<b>I. Revenue from Operation</b>	22				
Sale of Products		420.91	521.76	137.14	213.66
II. Other Income	23	15.93	0.00	0.08	0.63
<b>Total Revenue (I+II)</b>		<b>436.84</b>	<b>521.76</b>	<b>137.22</b>	<b>214.29</b>
<b>Expenses</b>					
Purchase of materials	24	93.17	112.54	93.44	60.67
Other Direct Costs					
Changes in Inventories	24	-6.23	-2.57	0.00	0.00
Employee Benefit Expenses	25	33.446	21.195	3.85	19.22
Finance Cost	26	17.84	73.59	77.12	94.76
Depreciation and Amortization Expenses	27	21.55	96.75	105.78	111.85
Other Expenses	27	21.40	65.23	47.27	33.55
<b>Total Expenses</b>		<b>181.176</b>	<b>366.735</b>	<b>327.46</b>	<b>320.05</b>
<b>Profit before extraordinary items and tax</b>		<b>255.664</b>	<b>155.025</b>	<b>-190.24</b>	<b>-105.76</b>
<b>Prior period items (Net)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit before Tax – Operating Income</b>		<b>255.664</b>	<b>155.025</b>	<b>-190.24</b>	<b>-105.76</b>
<b>Provision for Taxes</b>					
1. Current taxes		0	0	0	0
2. Tax adjustment of earlier years		0	0	0	0
3. MAT Credit Entitlements		0	0	0	0
4. Deferred tax (Assets)\ Liabilities		0	0	0	0
<b>Profit after tax and before extraordinary items</b>		<b>255.664</b>	<b>155.025</b>	<b>-190.24</b>	<b>-105.76</b>
Extraordinary items		0	0	0	0
<b>Net Profit after extraordinary items available for appropriation</b>		<b>255.664</b>	<b>155.025</b>	<b>-190.24</b>	<b>-105.76</b>
Proposed Dividend		0	0	0	0
Dividend distribution tax		0	0	0	0
<b>Net profit carried to Balance sheet</b>		<b>255.664</b>	<b>155.025</b>	<b>-190.24</b>	<b>-105.76</b>

**ANNEXURE 03**  
**STATEMENT OF CASH FLOWS, AS RESTATED**



(Rs. In Lakhs)

Particulars	30th June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>A. Cash Flows from Operating Activities</b>				
Net Profit before Tax	255.664	155.025	-190.23	-105.76
<b>Adjustments for:</b>				0
Depreciation	21.54	96.75	105.78	111.85
Share Issue Expenses	0.00	0.00	0.00	0.00
Interest & Finance charges	17.84	73.6	77.12	94.75
Interest Income	0.00	0.00	0.00	0.00
Provision For Gratuity	0.00	0.00	0.00	0.00
Sundry Balances Written Off (Net)	0.00	0.00	0.00	0.00
Unrealized Loss on Investment	0.00	0.00	0.00	0.00
Loss on sale of Assets	0.00	0.00	0.00	0.00
<b>Operating Cash Generated Before Working Capital Changes</b>	<b>295.04</b>	<b>325.38</b>	<b>-7.33</b>	<b>100.84</b>
Decrease (Increase) in Current Investments	-15.00	0.00	0.00	0.00
(Increase) / Decrease in Inventory	-6.24	-2.57	0.00	0.00
(Increase)/ Decrease in Receivables	0.00	-1.00	0.62	13.23
(Increase) / Decrease in Loans and Advances	0.00	0.00	0.00	0.00
(Increase)/Decrease in Other current assets	-133.35	10.00	-1.50	-7.10
Increase/(Decrease) in short term borrowing	0.00	0.00	-4.00	0.00
Increase/(Decrease) in Trade Payable	-0.60	7.09	0.95	-0.12
Increase/(Decrease) in Other Liabilities	0.31	0.42	31.00	0.00
Increase / (Decrease) in Short Term Provisions	-7.75	8.50	0.00	0.00
Increase / (Decrease) in Long Term Provisions	0.00	0.00	0.00	0.00
<b>Cash generated from operations</b>	<b>132.41</b>	<b>347.82</b>	<b>19.74</b>	<b>106.85</b>
Less: Direct taxes (paid) / refund	0.00	0.00	0.00	0.00
Less: Appropriation of Profit	0.00	0.00	0.00	0.00
<b>Net cash from before Extra-ordinary items</b>	<b>132.41</b>	<b>347.82</b>	<b>19.74</b>	<b>106.85</b>
Extra-ordinary items	0.00	0.00	0.00	0.00
<b>Net Cash Flow from Operating Activities (A)</b>	<b>132.41</b>	<b>347.82</b>	<b>19.74</b>	<b>106.85</b>
<b>B. Cash Flows from Investing Activities</b>				
Sale / (Purchase) of Fixed Assets (Net)	-0.92	-9.20	-21.33	-23.81
Sale / (Purchase) of Investments (Net)	0.00	0.00	0.00	0.00
Interest Received	0.00	0.00	0.00	0.00
Long term Loans & Advances	0.00	0.00	0.00	0.00
Sale of Investment	0.00	0.00	0.00	0.00
<b>Net Cash Generated from Investing Activities (B)</b>	<b>-0.92</b>	<b>-9.20</b>	<b>-21.33</b>	<b>-23.81</b>
<b>C. Cash Flow from Financing Activities</b>				
Net Increase/(Decrease) in Short Term Borrowings	0.00	0.00	0.00	0.00
Share Application Money Received	89.80	565.97	0.00	0.00
Proceeds / (Repayment) of Long-Term Borrowings	-12.62	-15.26	2.95	-42.11
Increase/(Decrease) in Unsecured Loans	-1105.77	-572.98	69.74	66.56
Proceeds From issue of Share Capital				
Increase/(Decrease) in Share Premium	1032.70	0.00	0.00	0.00
Decrease (Increase) in Long Term Loans & Advances	0.00	0.00	0.00	0.00
Interest Expenses	-17.84	-73.6	-77.12	-94.75
Dividend Paid (including Dividend Tax)				
<b>Net Cash from Financing Activities [C]</b>	<b>-13.73</b>	<b>-95.87</b>	<b>-4.43</b>	<b>-70.3</b>

Particulars	30th June,	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	117.76	242.745	-6.02	12.74
Opening Balance of Cash and Cash Equivalents	254.20	11.45	17.47	4.73
Closing Balance of Cash and Cash Equivalents	371.96	254.20	11.45	17.47

## ANNEXURE 04-SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### I. Corporate Information:

We are an integrated service provider in hospitality and real estate sector. Our Company was originally incorporated as San Trica Realtors Pvt. Ltd. on July 2007 in Mumbai, Maharashtra under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra. The CIN of the Company is .U55100MH2007PLC169803. Our Company provides restaurant and hotel services. Our Company, with the leadership of our Directors, hand bagged India's first single largest valued auction in co-operative sector in 2007 through which the Company got its first project of "Hotel Ranjeet". Originally the hotel had 1 Restaurant, 3 Banquets and 22 Rooms. The hotel is located at a prime location with footholds of famous personalities. It is located in Bhandarkar road, Deccan Gymkhana, Pune and built on an area of about 9,423 sq. ft. i.e. 1170 Sq. meters. The hotel offers specialty restaurants, two floors of banqueting facilities, swimming pool, gym and along with a spa. Also, the Hotel has private dining spaces, and exclusive open-air lawn spaces for banquets. The hotel is situated on the ground floor with approx. 2500 sq.ft. of covered space and 4500 sq.ft. of open space on the left side and back side of the building premises. Our hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, our Group has developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at strategic locations generally with high barriers-to-entry and in high density business districts of their respective metro cities, according to the Horwath Report. We generally develop our hotels on large land parcels, allowing us to situate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and specialty restaurants, large banquet and outdoor spaces. We endeavor to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments at an efficient gross built up area and development cost per key.

### II. Basis of Preparation:

The Restated Summary Statements of Assets and Liabilities of the Company for Quarter ended 30, June 2022 and for the period ended March 31, 2022, 2021, 2020 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the Quarter ended 30, June 2022 and for the period ended March 31, 2022, 2021, 2020 have been compiled by management from the financial statements of the company for the Quarter ended 30, June 2022 and for the period ended March 31, 2022, 2021, 2020.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the notified sections, schedules and rules of the Companies Act 2013 including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014)."

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

### III. Significant Accounting Policies:

**(a) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

**(b) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

**(c) Cash and cash equivalents:**

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.

**(d) Fixed Assets:**

Fixed Assets (Property, Plant and Equipment) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

**(e) Depreciation and Amortization:**

Depreciation on tangible fixed assets is provided on WDV basis in accordance with the provisions of useful life specified in Schedule II of the Companies Act, 2013 and on additions / disposals during the year, on pro-rata basis. Further, the management of the Company has reviewed / determined tangible fixed assets remaining useful lives.

**(f) Impairment:**

The carrying amounts of property, plant & equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of the property, plant & equipment exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

**(g) Revenue Recognition:**

- Revenue is recognized to the extent that it is probable that the economics benefit will flow to the company, there is reasonable certainty of collection and it can be reliable estimated
- Other Income: Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

**(h) Segment Reporting:**

As the Company's principal business activities fall within the segment viz Construction business and Hotel Industry. The disclosure requirement of Accounting Standard 17 on Segment Reporting prescribed u/s 133 of the Companies Act, 2013 ("The Act") read with Rule 7 of the Companies (Accounts) Rule, 2014 is applicable from FY 22-23.

**(i) Inventories**

Items of Inventories are measured at lower of cost.

**(j) Foreign Currency Transactions:**

There are no foreign currency transactions carried out.

**(k) Investments:**

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, are stated at the lower of cost and fair value.

**(l) Borrowing Cost:**

Borrowing costs are recognized as expenses in the period in which same are incurred.

**(m) Employee Benefits:**

Provident fund was applicable but last since 3years there is no applicability and thus no dues to be paid in respect of all eligible employees. Similarly, Gratuity is not applicable, thus no provision made for same.

As per the Companies policy no leave as been carried forward there for leave encashment provision not done in the books.

**(n) Taxation:**

**Current Tax:** The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

**Deferred tax:** Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the Year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

**Minimum Alternate Tax:** In case the Company is liable to pay income tax under provision of Minimum Alternate Tax u/s. 115JB of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognized as an asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognized in accordance with the Guidance Note on accounting treatment in respect of Minimum Alternate Tax (MAT) issued by The Institute of Chartered Accountants of India.

**Goods and Service Tax:** GST is applicable and we have taken registration, gst returns are filed on time and all liability paid on time.

**(o) Provisions and Contingent Assets/ (Liabilities):**

Provisions are recognized when the company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the best estimate of expenditure, that is required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company has recognized a contingent liability as per details shared by Management in respect of direct tax demand raised by income tax department.

Contingent assets are not recognized or disclosed in the financial statements.

(Rs. In Lakhs)

Particulars	As on June 30, 2022	As on March 31,		2020
		2022	2021	
Claim against company not acknowledge as debts	-	-	-	-
in respect of Income Tax	221.00	221.00	221.00	221.00
in respect of Commercial Tax	-	-	-	-
Total	221.00	221.00	221.00	221.00

**(p) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period.

**(q) Impairment of Assets:**

The Company evaluates all its assets for assessing any impairment and accordingly recognizes the impairment, wherever applicable, as provided in Accounting Standard 28, "Impairment of Assets".

**IV. Changes Accounting Policies in The Years/Periods Covered in The Restated Financial**

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

**V. Notes To Reconciliation of Restated Profit**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit after tax before appropriation (as per Audited accounts)	255.66	155.44	-190.24	-105.76
Adjustments				
Provision for Profession tax	-	0.42	-	-
Provision for Tax				
Deferred Tax				
Prior Period				
Bad debts recovery				
Audit Fees				

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Extra-Ordinary Item				
Profit after Tax as per Restated Profit & Loss Account	255.66	155.02	-190.24	-105.76

## VI. Other Notes to Accounts

- a) The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the period end together with interest payable as required under the said Act have not furnished.
- b) 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.
- c) There is no Auditor's Qualification in any of the audited Financial Statements as at and for the periods ended March 31, 2022.
  1. Gratuity is not applicable. Thus, no provision has been made for same in books.
  2. Company has given Interest free Loans and Advances to Group companies.
  3. The Company has obtained registration under Professional tax act and (i) has deducted professional tax from salaries and (ii) PT deducted was not paid and will be paid in FY 22-23.
- d) Related Party Transactions: The details of Related Party Transactions as per Accounting Standard 18 are provided in Annexure 32.
- e) The Company has taken bank guarantee to from union bank of India Virar west to obtain liquor license of Rs 4 lakhs.
- f) The figures in the Restated Financial Statements and Other Financial Information are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.
- g) There is no adjustment required to be made to the profit or loss for complying with ICDS notified u/s 145(2).

## ANNEXURE 04.1

### ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

#### Adjustments having impact on Profit

##### (i) Provision For Deferred Tax

Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.

The shortfall or excess in amount of Provision for taxes and deferred tax has been provided in the year in which it should be provided.

##### (ii) Provision for Gratuity:

Gratuity is not applicable. Thus, no provision has been made for same in books.

##### (iii) Adjustments having no impact on Profit

#### Material Regrouping

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with

the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

## ANNEXURE 05

### SHARE CAPITAL AND RESERVES & SURPLUS

#### STATEMENT OF DETAILS OF SHARE CAPITAL, AS RESTATED

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Equity Share Capital - Paid up</b>				
At the Beginning of the period	567.35	1.38	1.38	1.38
<b>Add:</b>				
Allotment during the year	89.80	565.97	0.00	0.00
Bonus Issue	0.00	0.00	0.00	0.00
Convert from Pref. to Equity Shares	0.00	0.00	0.00	0.00
<b>Sub Total - O/S at end of period</b>	<b>657.15</b>	<b>567.35</b>	<b>1.38</b>	<b>1.38</b>
<b>Preference Shares</b>				
Opening Capital	0.00	0.00	0.00	0.00
Add: Allotment	0.00	0.00	0.00	0.00
Less: Convert in to Equity Shares	0.00	0.00	0.00	0.00
<b>Sub Total - Preference Shares</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>657.15</b>	<b>567.35</b>	<b>1.38</b>	<b>1.38</b>

#### STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>A. Surplus</b>				
<b>Opening balance</b>	-962.55	-1117.57	-927.33	-821.57
<b>Add:</b> Addition during the year				
Net profit/ (Net loss) for the current year	255.664	155.025	-190.24	-105.76
Miscellaneous: Other Income				
<b>Less:</b> Provision for Last Year				
<b>Sub Total – Reserves</b>	<b>-706.88</b>	<b>-962.55</b>	<b>-1117.57</b>	<b>-927.33</b>
<b>B. Securities Premium</b>				
<b>Opening Balance</b>	112.13	112.13	112.13	112.13
<b>Add:</b> Share Premium on Issue of Equity Shares	1032.7	0.00	0.00	0.00
<b>Less:</b> Utilized for issue of bonus shares	0.00	0.00	0.00	0.00
<b>Sub Total - Share Premium</b>	<b>1144.83</b>	<b>112.13</b>	<b>112.13</b>	<b>112.13</b>
<b>Total</b>	<b>437.95</b>	<b>-850.42</b>	<b>-1005.44</b>	<b>-815.20</b>

**ANNEXURE 06**  
**STATEMENT OF DETAILS OF LONG-TERM BORROWINGS**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
		2022	2021	2020
<b>Secured Loan</b>				
<b><u>SECURED - From Banks</u></b>				
Bank Overdraft	0.00	0.00	0.00	0.00
<b><u>Term Loans for Plant &amp; Equipment's</u></b>				
1. Vasai Vikas Sahakari Bank	586.07	603.74	623.53	624.67
<b>TOTAL</b>	<b>586.07</b>	<b>603.74</b>	<b>623.53</b>	<b>624.67</b>
<b>Unsecured Loan</b>				
<b>A. Term Loan</b>				
From Bank / NBFC - Business Loan	0.00	0.00	0.00	0.00
From others	16.80	1122.57	1695.54	1625.80
<b>B. Loan from Directors, Relatives &amp; Associates</b>				
<b>Total</b>	<b>602.87</b>	<b>1726.31</b>	<b>2319.07</b>	<b>2250.47</b>

**ANNEXURE 07**  
**STATEMENT OF DETAILS OF LONG-TERM PROVISION**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
	0	2022	2021	2020
<b>Provision For Gratuity*</b>	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* Company has not provided Gratuity as per norms and no provisions have been made in the books of account for all employees

**ANNEXURE 08**  
**STATEMENT OF DETAILS OF SHORT-TERM BORROWINGS**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
		2022	2021	2020
<b><u>SECURED - From Banks</u></b>				
Bank Overdraft	0.00	0.00	0.00	0.00
Loan From Bank	50.78	45.74	41.21	37.12
Borrowings from Directors	0.00	0.00	0.00	0.00
Term Loans for Plant & Equipment's	0.00	0.00	0.00	0.00
Current Maturities of Long-term Debt	0.00	0.00	0.00	0.00
<b>Total</b>	<b>50.78</b>	<b>45.74</b>	<b>41.21</b>	<b>37.12</b>

**ANNEXURE 09**  
**STATEMENT OF TRADE PAYABLE**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
		2022	2021	2020
Trade Payable - Creditors	18.26	18.86	11.77	10.83



Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
<b>Total</b>	<b>18.26</b>	<b>18.86</b>	<b>11.77</b>	<b>10.83</b>

**ANNEXURE 10**  
**STATEMENT OF CURRENT LIABILITIES**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Employee Related Payables*	0.00	0.00	0.00	0.00
<b>Statutory Dues:</b>				
Professional Tax	0.00	0.00	0.00	0.00
Provision for Income Tax 30Th June 2021	0.00	0.00	0.00	0.00
Provision for Income Tax AY (2018-19)	0.00	0.00	0.00	0.00
Provision for Income Tax AY (2019-20)	0.00	0.00	0.00	0.00
Provision for Income Tax AY (2020-21)	0.00	0.00	0.00	0.00
Provision for Income Tax AY (2021-22)	0.00	0.00	0.00	0.00
Service Tax Payable	0.00	0.00	0.00	0.00
GST Payable*	0.00	0.00	0.00	0.00
TDS Payable*	0.00	0.00	0.00	0.00
<b>Other Payables</b>				
Outstanding Expenses (Profession tax payable)	0.73	0.43	0.00	0.00
Audit Fees Payable*	0.00	0.00	0.00	0.00
Rent Deposit	45.00	45.00	45.00	14.00
<b>Other Current Liability- Sub Total</b>	<b>45.73</b>	<b>45.43</b>	<b>45.00</b>	<b>14.00</b>

b) \*Note:

c) Company has not made provision in respect of salary, PF, & other expenses in the books of accounts for all employees for year-end provision.

d) Company has not made provision in respect of GST Payable in the books of accounts.

e) Company has not made provision in respect of TDS Payable in the books of accounts.

f) Company has not made provision in respect of Outstanding Expenses in the books of accounts.

g) Company has not made provision in respect of Audit Fees Payable in the books of accounts.

**ANNEXURE 11**  
**STATEMENT OF SHORT-TERM PROVISIONS**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
GST Payable	0.00	8.50	0.00	0.00
Directors' remuneration to Miss Abhilasha Thorve	0.75	0.00	0.00	0.00
<b>Total</b>	<b>0.75</b>	<b>8.50</b>	<b>0.00</b>	<b>0.00</b>

**ANNEXURE 12**  
**STATEMENT OF FIXED ASSETS AS RESTATED**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
		2022	2021	2020
<b>Vehicles</b>				
<b>Gross Block</b>				
Opening balance	14.87	14.87	14.87	14.87
Addition during the year	-	-	-	-
Reduction during the year	-	-	-	-
<b>Closing balance (GB)</b>	14.87	14.87	14.87	14.87
<b>Depreciation Block</b>				
<b>Opening balance</b>	3.94	3.36	2.76	2.12
Depreciation during the year	0.14	0.58	0.61	0.64
Depreciation Deduction during the year	-	-	-	-
<b>Closing balance (DB)</b>	4.08	3.94	3.36	2.76
<b>Net WDV – VEHICLES</b>	10.80	10.93	11.51	12.11
<b>Furniture</b>				
<b>Gross Block</b>				
Opening balance	50.88	44.16	43.79	38.73
Addition during the year		6.72	0.38	5.05
Reduction during the year			-	-
<b>Closing balance ( GB)</b>	50.88	50.88	44.16	43.79
<b>Depreciation Block</b>				
Opening balance	41.31	37.97	35.88	34.00
Depreciation during the year	0.62	3.34	2.09	1.88
<b>Closing balance ( DB)</b>	41.93	41.31	37.97	35.88
<b>Net WDV – FURNITURE</b>	8.95	9.56	6.19	7.91
<b>Computer</b>				
<b>Gross Block</b>				
Opening balance	0.97	0.97	0.97	0.84
Addition during the year	-	-	-	0.14
Reduction during the year		-	-	-
<b>Closing balance ( GB)</b>	0.97	0.97	0.97	0.97
<b>Depreciation Block</b>				
Opening balance	0.79	0.67	0.46	0.17
Depreciation during the year	0.02	0.12	0.20	0.29
<b>Closing balance ( DB)</b>	0.81	0.79	0.67	0.46
<b>Net WDV – COMPUTER</b>	0.16	0.18	0.31	0.51
<b>Office Equipment's</b>				
<b>Gross Block</b>				
Opening balance	5.87	5.70	5.70	5.52
Addition during the year	0.47	0.17	-	0.19
Reduction during the year		-	-	-
<b>Closing balance ( GB)</b>	6.34	5.87	5.70	5.70
<b>Depreciation Block</b>				

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
Opening balance	3.08	2.63	2.13	1.57
Depreciation during the year	0.11	0.45	0.50	0.56
<b>Closing balance ( DB)</b>	3.19	3.08	2.63	2.13
<b>Net WDV –OFFICE EQUIPMENT</b>	3.15	2.80	3.08	3.58
<b>Office Building</b>				
<b>Gross Block</b>				
Opening balance	1,535.86	1,535.82	1,529.20	1,519.49
Addition during the year		0.04	6.63	9.71
Reduction during the year			-	-
<b>Closing balance ( GB)</b>	1,535.86	1,535.86	1,535.82	1,529.20
Depreciation Block				
Opening balance	750.21	662.91	566.29	459.84
Depreciation during the year	19.64	87.30	96.62	106.45
<b>Closing balance ( DB)</b>	769.85	750.21	662.91	566.29
<b>Net WDV –OFFICE BUILDING</b>	766.01	785.66	872.91	962.91
<b>Plant &amp; Machinery</b>				
<b>Gross Block</b>				
Opening balance	22.92	20.65	19.67	10.96
Addition during the year	0.46	2.27	0.97	8.72
Reduction during the year				-
<b>Closing balance ( GB)</b>	23.38	22.92	20.65	19.67
Depreciation Block				
Opening balance	7.67	5.20	2.79	0.76
Depreciation during the year	0.55	2.46	2.42	2.02
<b>Depreciation on Reduction</b>				-
<b>Closing balance ( DB)</b>	8.21	7.67	5.20	2.79
<b>Net WDV –PLANT &amp; MACHINERY</b>	15.17	15.25	15.45	16.89
<b>OXYGEN CONCENTRATOR</b>				
<b>Gross Block</b>				
Opening balance	13.35	13.35	-	-
Addition during the year		-	13.35	-
Reduction during the year			-	-
<b>Closing balance ( GB)</b>	13.35	13.35	13.35	-
<b>Depreciation Block</b>				
Opening balance	5.84	3.34	-	-
Depreciation during the year	0.47	2.50	3.34	-
Depreciation on Reduction				-
<b>Closing balance ( DB)</b>	6.31	5.84	3.34	-
<b>Net WDV –OXYGEN CONCENTRATION</b>	7.04	7.51	10.02	-
<b>Fixed Assets - Tangible Assets</b>				

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
Gross Block	1,645.66	1,644.74	1,635.53	1,614.20
Depreciation Block	834.38	812.84	716.08	610.30
<b>Net Assets Block- Tangible</b>	811.28	831.90	919.45	1,003.90
<b>INTANGIBLE ASSETS</b>	5.16	5.16	5.16	5.16
<b>Total Net Assets</b>	<b>816.44</b>	<b>837.06</b>	<b>924.61</b>	<b>1,009.06</b>

#### ANNEXURE 13

##### STATEMENT OF NON-CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Investment	1.23	1.23	1.23	1.23
<b>Total</b>	<b>1.23</b>	<b>1.23</b>	<b>1.23</b>	<b>1.23</b>

#### ANNEXURE 14

##### STATEMENT OF DETAILS OF LONG-TERM LOANS & ADVANCES

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Loans & Advances	204.74	72.74	86.91	85.41
MVAT Refund F.Y. 2008-09	0.22	0.22	0.22	0.22
MVAT Refund F.Y. 2009-10	0.08	0.08	0.08	0.08
MVAT Refund F.Y. 2010-11	0.70	0.70	0.70	0.70
TDS F.Y. 2008-09	0.50	0.50	0.50	0.50
TDS F.Y. 2011-12	0.15	0.15	0.15	0.15
TDS F.Y. 2012-13	0.07	0.07	0.07	0.07
TDS F.Y. 2013-14	0.32	0.32	0.32	0.32
TDS F.Y. 2014-15	0.10	0.10	0.10	0.10
Vat assessment tax paid F.Y. 2008-09	1.25	1.25	1.25	1.25
TDS F.Y. 2015-16	0.36	0.36	0.36	0.36
TDS F.Y. 2016-17	0.11	0.11	0.11	0.11
TDS F.Y. 2018-19	2.92	2.92	2.92	2.92
TDS F.Y. 2019-2020	5.92	5.92	5.92	5.92
TDS F.Y. 2020-21	1.25	1.25	0.00	0.00
TDS F.Y. 2021-22	2.93	2.93	0.00	0.00
TDS F.Y. 2022-23	1.35	0.00	0.00	0.00
<b>Total</b>	<b>222.97</b>	<b>89.62</b>	<b>99.61</b>	<b>98.11</b>

**ANNEXURE 15****DETAILS OF DEFFERED TAX ASSETS/ (LIABILITIES), NET RESTATED****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Opening Balance	-6.33	-6.33	-6.33	-6.33
Applicable Corporate Tax Rate				
Applicable tax at notional Rate				
<b>Adjustments</b>				
Difference between Tax and Book Depreciation				
Related to Gratuity				
<b>Net Adjustments</b>				
<b>Net Differed Tax Assets/ (Liabilities)</b>	<b>-6.33</b>	<b>-6.33</b>	<b>-6.33</b>	<b>-6.33</b>

**ANNEXURE 16****STATEMENT OF CURRENT INVESTMENT****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
<b>Investment In Shares</b>	15.00	0.00	0.00	0.00
<b>Total</b>	<b>15.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**ANNEXURE 17****STATEMENT OF INVENTORY****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Consumables Raw Material and Consumables Material & Misc. Items	8.80	2.57	0.00	0.00
(Valued at lower of Cost or Market Value)				
<b>Total</b>	<b>8.80</b>	<b>2.57</b>	<b>0.00</b>	<b>0.00</b>

**ANNEXUR 18****STATEMENT OF DETAILS OF TRADE RECEIVABLES****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Trade receivables outstanding for a period more than six months from the date they are due for payment & considered good	13.34	12.34	12.34	12.96
Trade receivables outstanding for a period less than six months from the date they are due for payment & considered good	0.00	0.00	0.00	0.00
<b>Total</b>	<b>13.34</b>	<b>12.34</b>	<b>12.34</b>	<b>12.96</b>

**ANNEXURE 19**  
**STATEMENT OF CASH AND CASH EQUIVALENT**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Bank Balance	94.18	33.84	11.27	16.98
Cash on Hand	277.77	220.36	0.18	0.50
<b>Total</b>	<b>371.95</b>	<b>254.20</b>	<b>11.45</b>	<b>17.48</b>

**ANNEXURE 20**  
**STATEMENT OF SHORT-TERM LOANS**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Advance Against Work	366.00	366.00	366.00	366.00
Deposit against Bank Guarantee	4.00	4.00	4.00	0.00
<b>Total</b>	<b>370.00</b>	<b>370.00</b>	<b>370.00</b>	<b>366.00</b>

**ANNEXURE 21**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<u>Prepaid Expenses</u>				
Other Receivable	0.08	0.08	0.08	0.08
<b>Total</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>

\* Company has not incurred prepaid expenses in the books of accounts

**ANNEXURE 22**  
**STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Revenue From Operation</b>	420.91	521.76	137.14	213.66
<b>Total</b>	<b>420.91</b>	<b>521.76</b>	<b>137.14</b>	<b>213.66</b>

**ANNEXURE 23**  
**STATEMENT OF OTHER INCOME**

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Rent Received	15.93	0.00	0.00	0.00
Dividend Income	0.00	0.00	0.08	0.63
<b>Total</b>	<b>15.93</b>	<b>0.00</b>	<b>0.08</b>	<b>0.63</b>

**ANNEXURE 24****STATEMENT OF COST OF PURCHASES OF SERVICES AND MATERIALS****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Opening Stock	2.57	0.00	0.00	0.00
Add: Purchases	93.17	112.54	93.44	60.67
<b>Total</b>	<b>95.74</b>	<b>112.54</b>	<b>93.44</b>	<b>60.67</b>
Less: Closing Stock	8.80	2.57	0.00	0.00
<b>Consumable</b>	<b>86.94</b>	<b>109.97</b>	<b>93.44</b>	<b>60.67</b>

**ANNEXURE 25****STATEMENT OF EMPLOYEE BENEFIT EXPENSES****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Salaries & Incentive	32.34	21.19	3.85	19.22
Staff Welfare Expenses				
Gratuity*				
Directors Remuneration to Krupesh & CEO Remuneration to Miss. Abhilasha Thorve	1.11	0.00	0.00	0.00
<b>Total</b>	<b>33.45</b>	<b>21.19</b>	<b>3.85</b>	<b>19.22</b>

\*Company has not provided Gratuity as it is not applicable. Thus, no provisions have been made in the books of account for all employees

**ANNEXURE 26****STATEMENT OF FINANCE COST****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Bank Charges	0.04	0.26	1.13	1.85
<b>Interest Expenses</b>				
5. Vasai Vikas Bank	17.80	73.33	75.99	92.91
<b>Sub-Total</b>	<b>17.80</b>	<b>73.33</b>	<b>75.99</b>	<b>92.91</b>
<b>Total</b>	<b>17.84</b>	<b>73.59</b>	<b>77.12</b>	<b>94.76</b>

**ANNEXURE 27****STATEMENT OF OTHER EXPENSES****(Rs. In Lakhs)**

<b>Particulars</b>	<b>30<sup>th</sup> June, 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Projector & Screen	1.81	0.00	0.00	0.00
Rent Paid to Nitin Thorave	0.60	0.00	0.00	0.00
Insurance	0.00	0.83	0.00	0.71
Miscellaneous Expense	0.25	1.68	0.90	1.29
Valet Services Expense	0.37	0.00	0.00	0.00

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
CS Nikhil Date	0.53	0.00	0.00	0.00
Electricity Charges	10.02	12.41	32.52	2.45
ROC Charges	0.00	20.09	0.00	0.00
Advocate & Legal Fees	0.15	0.00	0.00	0.00
License Fees	0.00	8.03	0.00	2.00
Fuel Expenses	0.00	0.00	0.00	3.57
Internet Charges	0.00	0.18	0.00	0.20
Printing & Stationery	0.09	0.36	5.78	0.95
Repair & Maintenance	2.25	2.77	0.38	3.05
Transport Charges	0.38	0.21	0.95	0.00
Other Expenses	3.41	0.00	0.00	0.00
Telephone Exp	0.00	0.00	0.00	0.02
Professional Fees	0.03	1.05	1.39	2.04
Maintenance Exp	0.00	3.06	0.16	0.46
Membership & Subscription	0.20	0.48	0.00	0.00
Marketing Exp.	0.24	0.00	0.00	1.36
Taxes	0.00	2.10	5.19	1.07
AMC Expenses	0.00	0.32	0.00	0.00
GST Paid	0.43	10.69	0.00	14.38
Directors Remuneration to Krupesh	0.00	0.00	0.00	0.00
Consultant Commission	0.64	0.00	0.00	0.00
News Paper Expenses	0.00	0.97	0.00	0.00
Depreciation and Amortization	21.55	96.75	105.78	111.85
<b>Total</b>	<b>42.95</b>	<b>161.98</b>	<b>153.05</b>	<b>145.40</b>

## ANNEXURE 28

### STATEMENT OF DIVIDEND

(Rs. In Lakhs)

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
On Equity Shares				
Fully Paid-up Share Capital (Rs. In Lakhs)	657.15	567.35	1.38	1.38
Face Value (In Rs.)	10	10	10	10
Paid up value per share (In Rs.)	10	10	10	10
Rate of Dividend	-	-	-	-
Total Dividend	-	-	-	-
Corporate Dividend tax on above	-	-	-	-

## ANNEXURE 29

### STATEMENT OF CAPITALIZATION

(Rs. In Lakhs)

Particulars	Pre-Issue as on 30 <sup>th</sup> June, 2022	Post Issue
Borrowing		
Short - Term Debt	50.78	50.78
Long - Term Debt	602.86	602.86
Total Debt	<b>653.64</b>	<b>653.64</b>
Shareholders' Funds		



Particulars	Pre-Issue as on 30 <sup>th</sup> June, 2022	Post Issue
Share Capital	1095.83	5,095.83
- Equity	657.15	977.15
Less: Calls - in – arrears		
Share Application money	-	-
- Preference	-	-
Reserves & Surplus Including Premium	438.68	4118.68
Total Shareholders' Funds	<b>1095.83</b>	<b>5,095.83</b>
Long - Term Debt / Shareholders Fund	0.55	0.12
Short - Term Debt / Shareholders Fund	0.05	0.01

Notes:

- The figures disclosed above are based on the restated summary statement of assets & Liabilities of the company.
- The above statement should be read with the significant accounting policies and notes to restated summary, statements of the assets & liabilities, profit and losses and cash flows appearing in annexure 01, 02, 03 and 04.
- Short term debts represent which are expected to be paid/ payable within 12 months and includes installment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short Term Debts as defined above but excludes installment of term loans repayable within 12 months.

## ANNEXURE 30

### STATEMENT OF TAX SHELTERS

(Rs. In Lakhs)				
Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit before tax as per Restated P/L	255.66	155.03	-190.24	-105.76
Applicable Corporate Tax Rate	22	22	22	22
Tax at Notional Rate				
Adjustments				
Permanent Differences(B)				
Donation				
Disallowed u/s 37				
Profit/Loss on sale of Fixed Assets				
Total Permanent Differences(B)				
Income considered separately (C)				
Interest Income				
Total Income considered separately (C)				
Timing Differences (D)				
Difference between tax depreciation and book depreciation	0	0	0	0
Gratuity Disallowed				
Difference due to expenses allowable/ disallowable u/s 43B				
Total Timing Differences (D)				
Net Adjustments E = (B+C+D)				
Tax Expense/(Saving) thereon				
Income chargeable under the head OTHER SOURCES (F)				

Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Interest Income				
Total Income chargeable under the head OTHER SOURCES (F)				
Deduction under Chapter VI-A (G)				
Deduction u/s 80G				
Total Deduction under Chapter VI-A (G)				
Taxable Income/(Loss) (A+E+F+G)	255.66	155.03	-190.24	-105.76
Taxable Income/(Loss) as per MAT				
Income Tax as returned/computed				
Tax paid as per normal or MAT				

## ANNEXURE 31

### STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Lakhs)				
Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Claim against company not acknowledge as debts	-	-	-	-
in respect of Income Tax	221.00	221.00	221.00	221.00
in respect of Commercial Tax	-	-	-	-
Total	221.00	221.00	221.00	221.00

Provision for Contingent liability is made for Direct Taxation demand of Rs 221 lakhs for FY 2009-10,2013-14,2014-15. An appeal is filed against this demand which is still pending. Thus, Provision is made in contingent liability for full amount of Rs 221 lakhs.

## ANNEXURE 32

### STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lakhs)					
Sr. No.	Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
A	<b>REVENUE ITEMS:</b>				
1	<b>Salary paid – Directors /KMP</b>				
A	Miss.Abhilasha Nitin Thorave (Executive Director & CEO)	0.75	0.00	0.00	0.00
B	Mrs.Krupesh Deepak Thakur (Executive Director)	0.36	0.00	0.00	0.00
C	Tejal Jaykar	-6.42	-6.42	-6.42	-6.42

<b>2</b>	<b>Rent Paid</b>				
A	Dr. NitinVithalrao Thorave	0.60	0.00	0.00	0.00
<b>B</b>	<b>REVENUE ITEMS:</b>				
A	Akanksha Developers -	200.00	0.00	0.00	0.00
<b>C</b>	<b>NON-REVENUE ITEMS:</b>				
<b>1</b>	<b>Unsecured Loan payable – Outstanding</b>				
A	Dr. Nitin V. Thorave	5.23	10.42	339.01	311.40
B	Nidan Laboratories and Healthcare Limited	-2.68	695.94	719.19	372.76
C	Arnala Beach Resort	-2.44	-2.44	-4.08	-4.08
D	Roshan Thorve	0.00	0.00	159.97	159.97
E	V.L. Thorve	0.00	0.00	6.00	6.00
F	Edwin Dabre	-	-	7.72	7.72
<b>B</b>	<b>NON-REVENUE ITEMS:</b>				
<b>1</b>	<b>Unsecured Loan Receivable – Outstanding</b>				
A	Dr. Nitin V. Thorave - Advance against Dharavi Shop	132.00	0.00	0.00	0.00

## ANNEXURE 33

### OTHER FINANCIAL INFORMATION- STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lakhs)				
Particulars	30 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Net worth ( A )	1095.09	-283.07	-1004.06	-813.82
Net Profit after Tax ( B )	255.66	155.03	-190.24	-105.76
No. of Shares outstanding at the end [F.V Rs.10]( C )	65.72	56.74	0.14	0.14
Weighted average number of shares outstanding [F.V Rs.10]( D )	56.84	0.29	0.14	0.14
Bonus Shares [E]	-	-	-	-
Weighted average number of shares outstanding Post Bonus Shares [F.V Rs.10] (F) (D+E)	56.84	0.29	0.14	0.14
Earnings per Share (EPS) ( B / F ) (Rs.)	4.50	529.89	-1383.56	-769.16
Return on Net Worth ( B / A )	0.23	-0.55	0.19	0.13
Net Assets Value per Share ( A / C )	16.66	-4.99	-7302.25	-5918.69

Definitions of key ratios:

- I.** Earnings per Share (Rs.): Net profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equities shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.
- II.** Return on Net Worth (%): Net Profit after tax / Net worth as at the end of the year / period
- III.** Net Asset Value (Rs.): Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period
- IV.** EBIDTA: Earnings (or profit/(loss)) before interest costs, income taxes, depreciation and amortization expenses

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Prospectus. You should also read the section entitled “**Risk Factors**” beginning on page 25 and “**Forward Looking Statements**” beginning on page 20 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements as of and for the fiscal year ended March 31, 2022, 2021 and, 2020, 2019, prepared in accordance with the Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled “**Restated Financial Information**” on page no. 163 of this Draft Prospectus. Please note that in terms of Schedule VI of the SEBI (ICDR) Regulations, 2018, the company is required to give the financial information for the preceding 3 financial years from the date of the Draft Prospectus. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

*Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.*

### Overview of the Company

We are an integrated service provider in hospitality and real estate sector. Our Company was originally incorporated as San Trica Realtors Pvt.Ltd. on April 09, 2007 in Mumbai, Maharashtra under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra. Subsequently the name of the company was changed from “San Trica Realtors Private Limited” to “San Trica Realtors Limited” under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on December 24, 2021 and had obtained fresh certificate of incorporation January 19, 2022 issued by the Registrar of Companies, Mumbai. The CIN of our Company is U55100MH2007PLC169803.

Our Company provides restaurant and hotel services. Our Company, with the leadership of our Directors, hand bagged India's first single largest valued auction in co-operative sector in 2007 through which the Company got it's first project of “Hotel Ranjeet”. Originally the hotel had 1 (one) Restaurant, 3 (three) Banquets and 22 (twenty-two) Rooms. The hotel is located at a prime location with footholds of famous personalities. It is located in Bhandarkar road, Deccan Gymkhana, Pune and built on an area of about 9,423 sq. ft. i.e., 1170 Sq. meters. The hotel offers multicuisine restaurants, two floors equipped with banqueting facilities, swimming pool, gym and along with a spa. The Hotel also has private dining spaces, and exclusive open-air lawn spaces for banquets. The hotel is situated on the ground floor with approx. 2500 sq.ft. of covered space and 4500 sq.ft. of open space on the left side and back side of the building premises. Our hotel platform emphasizes on strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, our Group has developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at prominent locations with high barriers-to-entry and in large density business districts of their respective metro cities, according to the Horwath Report. We generally develop our hotels on large land parcels, allowing us to accommodate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and multicuisine restaurants, large banquet and outdoor spaces. We endeavour to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments in a efficient gross built up area and development cost per key.

We believe we have a competitive advantage in the cities of Pune and Mumbai extending upto the district of Palghar as well due to reasons as we listed below:

- We believe that significant time outlay required to build and establish a profitable hotel or commercial project.
- Our early mover advantage in large, mixed-use developments in specific micro-markets and availability of unutilized land at certain of our hotel properties to further expand our operations, among others.

We follow an active asset management model for our hotels operated by third parties, pursuant to which we closely monitor, and exercise regular oversight over the performance of our hotel properties. Among other things, we discuss and agree on budgeting and operational and financial targets, review performance reports, engage with the hotel management team at each hotel by conducting detailed monthly performance review meetings and provide regular inputs on cost saving initiatives and potential improvements. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters.

In the sector of hospitality, our Promoter had envisioned about our very first day picnic resort with unique activities like water sports and Adventure sports in North Mumbai suburban Beach which today stands in the name '*Arnala Beach Resort*'. Subsequently our promoter planned further expansion and invented the brand as '*Hotel Martins Inn*' with the company based in 'Martins Ville' in Virginia USA, in view of franchising the mid segment hotels in India. In 2007, after winning a tender of hotel Ranjeet promoters started an ownership beach front luxury hotel named as hotel Martins Inn Arnala. Shortly after it, they expanded the brand operations at Boisar by starting a business category hotel named 'Martins Inn Boisar' with Joint Venture. Now we are planning to grow in the similar sector with quiet modernized concepts in the digitalized era having solutions of asset lite Models Even for "Hotels". Our group i.e., Nidaan Group have well explored the real estate sector since 1999. Having versatile experience in sectors like residential & commercial projects across different cities including, Mumbai, Pune and Vasai Virar in Palghar district.

The Promoter has initially ventured into real estate by undertaking a project in one of the most difficult segments i.e., SRA and at the same time working in the most difficult area in the SRA segment which was Dharavi Slum Rehabilitation Area with the proprietary brand Akanksha Developers. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

We are part of Nidaan Group which we believe that is one of the leading business groups in Maharashtra, India and we believe that we derive significant benefit from the confidence that consumers, lenders, hospitality partners, vendors and others place in the group. The companies forming part of the Nidaan Group have extensive experience in developing large scale real estate, hospitality and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoter and Key Management Personnel have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning as well as our hotel and retail businesses. We have a strong management team with significant industry experience. Our Key Management Personnel and senior management include qualified professionals and industry experts with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality.

### **Significant Developments Subsequent to the Last Audited Financials**

After the date of last audited accounts i.e., June 30, 2022, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However, following material events have occurred after the last audited period

- 1) The Board of Directors via its Board resolution passed on August 30, 2022 authorized the funds to be raised by making an initial public offering.
- 2) The Shareholders via its Resolution passed at the AGM held on September 30, 2022 authorized the funds to be raised by making an initial public offering.
- 3) The Shareholders via its Resolution passed at the AGM held on September 30, 2022 to increasing the Borrowing Power of the Company.

### Significant Developments subsequent to June 30, 2022

Except as set out above, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

### Key factors affecting our results of operation:

The business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factor**” beginning on page no. 25 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and demographic conditions;
- Fluctuations in foreign and Indian currency;
- Periods of disease outbreaks and the impact of COVID-19 pandemic;
- Depreciation, repairs and maintenance of our equipment;
- Significant developments in India ‘s economic and fiscal policies;
- Our ability to obtain the necessary licenses in timely manner;
- Our ability to attract and retain distributors, wholesalers;
- Demand, Supply and pricing for heavy machinery;
- Age and condition of heavy machinery;
- Changes in laws or regulations that affect the usage of heavy machinery;
- Governmental policies, in particular with regard to environmental regulation and alternative energy;
- Social, political and geo-political instability in producing or importing countries, including war, terrorism or labour unrest; and

### Our Significant Accounting Policies:

Our significant accounting policies are described in the chapter “**Financial Statements**” on page no. 163 of this Draft Prospectus.

### Our Results of Operation

The following table sets forth select financial data from restated financial statement, the components of which are also expressed as a percentage of total income for such periods.

(Rs. In Lakh)							
Particulars	30th June, 2022	% of total Revenue	31 <sup>st</sup> March, 2022	% of total Revenue	31 <sup>st</sup> March, 2021	% of Total Revenue	31 <sup>st</sup> March, 2020
<b>Revenue</b>							
<b>I. Revenue From Operation</b>							
Sale of Products	420.91	96.35	521.76	100.00	137.14	99.94	213.66
II. Other Income	15.93	3.65	0.00	0.00	0.08	0.06	0.63
<b>Total Revenue (I+II)</b>	<b>436.84</b>	100.00	<b>521.76</b>	100.00	<b>137.22</b>	100.00	<b>214.29</b>

<b>Expenses</b>							
Purchase of materials	93.17	21.33	112.54	21.57	93.44	68.10	60.67
Other Direct Costs		0.00		0.00		0.00	
Changes in Inventories	-6.23	-1.43	-2.57	-0.49	0.00	0.00	0.00
Employee Benefit Expenses	33.14	7.59	20.77	3.98	3.85	2.81	19.22
Finance Cost	17.84	4.08	73.59	14.10	77.12	56.20	94.76
Depreciation and Amortization Expenses	21.55	4.93	96.75	18.54	105.78	77.09	111.85
Other Expenses	21.40	4.90	65.23	12.50	47.27	34.45	33.55
<b>Total Expenses</b>	<b>180.87</b>	<b>41.40</b>	<b>366.31</b>	<b>70.21</b>	<b>327.46</b>	<b>238.64</b>	<b>320.05</b>
<b>Profit before extraordinary items and tax</b>	<b>255.97</b>	<b>58.60</b>	<b>155.45</b>	<b>29.79</b>	<b>-190.24</b>	<b>-138.64</b>	<b>-105.76</b>
<b>Prior period items (Net)</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Net profit before Tax – Operating Income</b>	<b>255.97</b>	<b>58.60</b>	<b>155.45</b>	<b>29.79</b>	<b>-190.24</b>	<b>-138.64</b>	<b>-105.76</b>
<b>Provision for Taxes</b>							
1. Current taxes							
2. Tax adjustment of earlier years							
3. MAT Credit Entitlements							
4. Deferred tax (Assets)\ Liabilities							
<b>Profit after tax and before extraordinary items</b>	<b>255.97</b>	<b>58.60</b>	<b>155.45</b>	<b>29.79</b>	<b>-190.24</b>	<b>-138.64</b>	<b>-105.76</b>
Extraordinary items	0	0.00	0	0.00	0	0.00	0
<b>Net Profit after extraordinary items available for appropriation</b>	<b>255.97</b>	<b>58.60</b>	<b>155.45</b>	<b>29.79</b>	<b>-190.24</b>	<b>-138.64</b>	<b>-105.76</b>
Proposed Dividend	0	0.00	0	0.00	0	0.00	0
Dividend distribution tax	0	0.00	0	0.00	0	0.00	0
<b>Net profit carried to Balance sheet</b>	<b>255.97</b>	<b>58.60</b>	<b>155.45</b>	<b>29.79</b>	<b>-190.24</b>	<b>-138.64</b>	<b>-105.76</b>

**Financial Performance Highlights for the Period Ended June 30, 2022 (Based on Restated Financial Statements):**

**Revenue from operations:** The revenue from operations during the period ended **June 30, 2022** was Rs. 436.84 Lakhs. Revenue from operations includes revenue generated from our business of construction and hospitality.

**Total Expenses:** The total expenditure during period ended **June 30, 2022** was Rs. 180.87 Lakhs. The total expenditure represents 41.40% of the total income. The total expenses are represented by Purchase of materials, employee benefits expense, depreciation and amortization expenses and Other Expenses. The main constituent of total expenditure is purchase of material consumed which is Rs. 93.17 lakhs.

**Profit/ (Loss) after Tax:** The restated net profit during the period ended **June 30, 2022** was Rs. 255.97 lakhs representing 58.60 % of the total revenue of our company.

**Financial Year 2022 Compared to Financial Year 2021 (Based on Restated Financial Statements)**

**Total revenue:** Total revenue for the financial year 2021-22 stood at Rs. 521.76 Lakhs whereas in Financial Year 2020-21 the same stood at Rs.137.22 Lakhs representing an increase of 73.70%.

**Purchase of materials:** The Purchase of materials for the financial year 2021-22 increased to Rs. 112.54 Lakhs from Rs. 93.44 lakhs in the Financial Year 2020-21 representing an increase of 16.97%. Such increase was due to increase in business operations of the Company.



**Total Expenses:** The Total Expenditure for the financial year 2021-22 increased to Rs. 366.31 Lakhs from Rs. 327.46 Lakhs in the Financial Year 2020-21 representing an increase of 10.61%.

**Employee benefits expense:** Our Company has incurred Rs. 20.77 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to Rs. 3.85 Lakhs in the financial year 2020-21. The increase of 81.46% was due to increase in Director's remuneration, increase in salaries and increase in staff welfare expenses.

**Depreciation and Amortization Expenses:** Depreciation for the financial year 2021-22 stood at Rs. 96.75 Lakhs as against Rs. 105.78 Lakhs during the financial year 2020-21. The decrease in depreciation was 9.33% in comparison to the previous year.

**Other Expenses:** Our Company has incurred Rs. 65.23 Lakhs during the Financial Year 2021-22 on other expenses as against Rs. 47.27 Lakhs during the financial year 2019-20. The increase of 27.53% was mainly due to increase in Business promotion expenses, commission expenses, general office expenses and miscellaneous expenses.

**Restated Profit before tax:** Net Profit before tax for the financial year 2021-22 increased to Rs. 155.45 Lakhs as compared to Rs. 24.68 Lakhs in the financial year 2020-21, which was majorly due to factors as mentioned above.

**Restated profit after tax:** The Company reported Restated profit after tax for the financial year 2021-22 of Rs. 155.45 Lakhs in comparison to Rs. (190.24) lakhs in the financial year 2020-21 majorly due to factors mentioned above. The increase of 222.38 % was mainly due to increase in the revenue and decrease in the cost as mentioned above.

#### **Financial Year 2021 Compared to Financial Year 2020 (Based on Restated Financial Statements)**

**Total revenue:** Total revenue for the financial year 2020-21 stood at Rs. 137.14 Lakhs whereas in Financial Year 2019-20 the same stood at Rs. 213.66 Lakhs representing a decrease of 56.17%.

**Purchase of materials:** The **Purchase of materials** for the financial year 2020-21 increased to Rs. 93.44 Lakhs from Rs. 60.67 lakhs in the Financial Year 2019-20 representing an increase of 35.07%. Such increase was due to increase in business operations of the Company.

**Total Expenses:** The Total Expenditure for the financial year 2020-21 increased to Rs. 327.46 Lakhs from Rs. 320.05 Lakhs in the Financial Year 2019-20 representing an increase of 2.26%.

**Employee benefits expense:** Our Company has incurred Rs. 3.85 Lakhs as Employee benefits expense during the financial year 2020-21 as compared to Rs. 19.22 Lakhs in the financial year 2019-20. The decrease of 399.22% was due to decrease in Director's remuneration, increase in salaries and increase in staff welfare expenses.

**Depreciation and Amortization Expenses:** Depreciation for the financial year 2020-21 stood at Rs. 105.78 Lakhs as against Rs. 111.85 Lakhs during the financial year 2019-20. The decrease in depreciation was 5.74% in comparison to the previous year.

**Other Expenses:** Our Company has incurred Rs. 47.27 Lakhs during the Financial Year 2020-21 on other expenses as against Rs. 33.55 Lakhs during the financial year 2019-20. The increase of 29.02% was mainly due to increase in Business promotion expenses, commission expenses, general office expenses and miscellaneous expenses.

**Restated Profit before tax:** Net Profit before tax for the financial year 2020-21 decreased to Rs. (190.24) Lakhs as compared to Rs. (105.76) Lakhs in the financial year 2019-20, which was majorly due to factors as mentioned above.

**Restated profit after tax:** The Company reported Restated profit after tax for the financial year 2020-21 of Rs. (190.24) Lakhs as compared to Rs. (105.76) Lakhs in the financial year 2019-20. The increase of 44.41% was mainly due to increase in the revenue and decrease in the cost as mentioned above.

#### **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 trend, infrequent event or transaction in our business activity.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income 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 25 of the Draft 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 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 25, 104 and 189 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. Total turnover of each major industry segment in which our Company operates The Company is in the business of trading of diamonds. Relevant industry data, as available, has been included in the chapter titled “Industry Overview” beginning on page 85 of this Draft Prospectus.

6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices Increases in revenues are by and large linked to increases in volume of our business.

7. Status of any publicly announced New Products or Business Segment: Our Company has not announced any new product or service.

8. Seasonality of business: Our Company’s business is seasonal in nature.

9. Dependence on few customers: The revenue of our company is dependent on a few limited numbers of customers.

10. Competitive conditions Competitive conditions are as described under the Chapters “Industry Overview” and “Our Business” beginning on pages 85 and 104 respectively of the Draft Prospectus.

11. Details of material developments after the date of last balance sheet i.e. June 30, 2022 after the date of last Balance sheet i.e. June 30, 2022, the following material events have occurred after the last audited period – NIL

## STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company San Trica Realtors Limited has availed certain loans in the ordinary course of business for the purposes including, but not limited to meeting its working capital requirements and financing its capital expenditure. Our Company has made an application for-obtaining an NOC and is yet to obtain the NOC from the Principal Bankers.

Unless otherwise stated, the approvals and/or sanctions are valid as of the date of this Prospectus and incase the said approvals and/or sanctions have expired, we have either made an application for renewal or are in the process of making an application for renewal.

Pursuant to a special resolution of our Shareholders passed at the Annual general meeting held on September 30<sup>th</sup> 2022, our Board has been authorized to borrow, from time to time, such sums of money as our Board may deem fit for the purpose of the business of our Company, whether secured-or unsecured, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), would exceed the aggregate of the paid-up capital and free reserves of our Company provided that theJotal amount which may be borrowed by our Board and outstanding at any time, shall not exceed Rs. 100.00 Crores (Hundred crores), for the time being, including the money already borrowed by our Company.

As on the date of filing of this Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

### Facilities availed bY us

As on June, 30<sup>th</sup> 2022 the aggregate outstanding borrowings of our Company is as follows:

(Rs. In Lakhs)

Category of Borrowings	Sanction Limit	Outstanding as on June 30 <sup>th</sup> 2022
Secured Borrowings	646.23	636.85
Unsecured Borrowings	-	-
Any Other Borrowings- Borrowings from Promoter, Directors and Relatives	-	16.81
<b>Total</b>	<b>646.23</b>	<b>653.66</b>

### A) Details of Secured Loans:

Bank Name- Vasai Vikas Sahakari Bank Limited	
Our Company has been Restructured loan Rs. 646.23 Lakhs vide their letter no. VVSB/HO/CREDIT/7953/2019-20 dated 22.01.2020. (Original sanction of the said loan was Rs. 650 Lacs vide letter dated VVSB/HO/CREDIT/6096/2014-15 dated 29.03.2014 and Rs. 300 lacs vide letter dated VVSB/HO/CREDIT/7592/2014-15 Dated 19.03.2015)	
Amount of Loan	Rs. 646.23 Lacs
Curremcy	INR
Nature of Facility	Term Loan
Purpose	Renovation of Hotels and Taking over facility from another bank
Rate of Interest	11.00% p.a.
Repayment	120 Months payable on monthly EMI
Security	Registered mortgage of land and commercial premises along with Open spaces at CTS No.870/7, Plot No. 21117 Bhanadarkar Road Pune  Hypothication of all Movable fixed assets including Fumiture & Fixtures, Electronics and Electrical Equipments and Generators A/Cs
Penal Interest	2% p.m. on Overdue amount
Balance as on June 30 <sup>th</sup> ,2022	Rs. 636.85 Lacs

*Note:*

- a) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.*
- b) The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexure's 01,02,03 and 04.*

**B) Unsecured Loans - From Promoters, Shareholders, Directors and Related Party Rs. 16.81 lacs.**

## SECTION X- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors adopted as per Materiality Policy on August 30, 2022 in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is 1% of the profits after tax of the Company for the most recent audited fiscal period; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Unless otherwise stated, all proceedings are pending as of the date of this Draft Prospectus. All information provided below is as of the date of this Draft Prospectus.*

#### **(A) Pending Litigations Relating to Our Company**

- |   |       |
|---|-------|
| (i) Labour Cases filed against the Company  | : NIL |
| (ii) Labour Cases filed by the Company      | : NIL |
| (iii) Civil Cases filed against the Company | : NIL |
| (iv) Civil Cases filed by the Company       | : YES |
| (v) Criminal cases against the company      | : NIL |
| (vi) Criminal cases filed by the company    | : NIL |
| (vii) Notices served on the Company         | : NIL |
| (viii) Tax related matters                  | : YES |

As on the date of draft of this Draft Prospectus,

- There are no outstanding criminal litigations pending or filed by or against our company. Further, No criminal notices are/ were served in the name of the company and no penalties have been imposed;
- There are no labour cases pending or filed by or against our company. Further, No labour notices are/ were served in the name of the company and no penalties have been imposed;
- There are no tax matters/ cases pending or filed by or against our company except as mentioned below. Further, No tax notices are/ were served in the name of the company and no penalties have been imposed;
- There are no civil cases pending or filed by or against our company except as mentioned below. Further, No civil notices are/ were served in the name of the company and no penalties have been imposed.

## **I. Civil Cases filed by our Group Company**

### **Nidan Laboratories and Healthcare Limited (formerly known as AbhiDiagnostics Pvt Ltd) (Applicants) V/s Kalyan Dombivali Municipal Corporation (KDMC)(Respondents)- no. ARP/4/2013& 5776/2012**

Our Company has filed a writ petition under Section 11 of the Arbitration and Conciliation Act, 1996 before the High Court of Judicature at Bombay against KDMC ("Respondents"). The Respondents had entered into a lease agreement dated 06/08/2008 to set up and start a cardiac unit ("agreement") with the Company pursuant to which the company was permitted to use the premises for long term lease of 30 years to provide distinctive services of cardiac hospital. However, the Respondents failed to fulfill terms of the agreement and company suffered huge loss on account of non-performance of respondents. Hence the company being aggrieved party filed writ petition against the respondents for suitable orders.

On the basis of an advertisement published in the local Marathi newspaper dated 17/03/2006 an expression of modern cardiology equipment and machineries. After a great deal of discussion and understanding of the delivery interest (EOI) was floated by Kalyan Dombivali Municipal Corporation to set up a super specialty hospital in Cardiology with the objective of providing all the necessary essential medical facilities and treatment in cardiology and against which the KDMC offered to provide premises on a long-term lease of 30 years. Accordingly, the applicants and its Managing Director DR. NITIN THORAVE expressed their interest in EOI to set up and start the Cardiac Unit within the premises of KDMC to fulfill the noble objective of the said EOI to start up super specialty Cardiac Hospital so that the facilities and treatment are within the reach of the poor and needy people and also for the benefit of all the employees of the KDMC. The project was encouraged and executed on similar lines as of public-private partnership. Having successfully fulfilled the criteria of EOI, the applicant on the strength of their managing successfully numerous diagnostic and sonography centers across different localities was found suitable for the proposed hospital project. The Respondents invited the applicant to participate in the said project as defined in the EOI and later several meetings took place between them, in which the modalities and terms and conditions of the proposed lease agreement were discussed in detail, along with and in-depth discussion on the possible structural changes/design modification in the building for the effecting an installations and operation of sophisticated and of cardiac health facilities, a Lease Agreement dated 06/08/2008 came to be executed between Applicant and the Respondents, whereby KDMC is to leased out the said premises consisting Ground plus two storey structure with built up space amounting 144 sq. meters on ground floor and 288 sq. meters on first and second floor for the period of 29 years to the Applicant. Before entering the said Lease Agreement, a committee comprising of 15 coporators of KDMC went into details of medical services and treatment to be offer and scrutinized every aspect of proposed project. Based on their recommendations the applicable fee/charges rate structure were incorporated. Before signing of the agreement, the said committee also visited few of the centers of the applicant hospitals/clinic/diagnostic centers (NIDAN) and only after their total satisfaction about managerial and financial capacity and medical skills and competence of the applicant the agreement came to be signed. Due to the sensitivity of having healthy and hygienic environment, the Applicant have suggested certain modifications within the lease premises which was appreciated by the respondent's officials and corporates/members of the standing committee and hence in its General Body Meeting No.10 dated 15/12/2009, KDMC overwhelmingly approved and granted certain facilities and also made an exemption on payment of octroi charge of importing the machineries to be installed in the proposed hospital. The applicant states that as per the terms and clauses of the said lease agreement and after detailed planning an discussion and in order to meet the project deadline and to avoid in the delay of the project, the applicant from their own funds have spent substantial amount in carrying out the requisite changes which were supposed to be carried out by respondents in their capacity as owner of the premises and as duty of the lessor. However, the applicant carried out a very challenging task as the cardiac and allied machinery and equipment were modern, sophisticated as well as expensive and huge cost and

expenditure incurred in procuring and importing them. After the successful inauguration of the hospital, the woes of the applicant began to arise. It attracted the hostility and prejudices from some of the corporators who had malafide intention and vested interest, in total disregard and abuse of the due process of law, started harassing the applicant and demanded illegitimate claims. Failure to satisfy them and their needs, they carried a malicious and hostile campaign and vendetta against the Applicant. They started to create hurdles and unwarranted interference in the management of the affairs of the hospital. It was also alleged that some unauthorized construction work was carried out in the hospital premises. Having made personal clarification by the officials of the applicant and submission of all the facts and circumstances of the matter, the respondents issued order dated 16/12/2011 whereby directed to demolish the construction work within eight days of the order. The respondent disregarded the fact of filing Civil Suit No.521/2011 before District Court for injunction against demolition of the said premises, the vendetta was carried to its logical end with the demolition of the newly created structure. Without even a sense of the application of mind, forgetting that the premises belonged to them, as they were owners/lessor and that the hospital project was a kind of public private partnership for the benefit of poor people and a pride of health facility in the surrounding areas, the demolition damaged the expensive machinery and importantly brought to a standstill further expansion plans and end to an efficient and functioning health services in the area. Applicant states that the demolition was not only illegal, but total abuse of due process of law. The Applicant had filed writ petition against respondents for their high handed and unconstitutional activities. The matter is presently pending.

## **(B) Pending Litigation Relating to the Promoters of Our Company**

- |  |       |
|--|-------|
| a) Criminal Case against our promoters   | : YES |
| b) Civil Cases Against Our Promoters     | : YES |
| c) Criminal Cases Filed by Our Promoters | : YES |
| d) Civil Case Filed by Our Promoters     | : YES |
| e) Cases Relating to Tax Matters         | : YES |
| f) Notices served on the Promoter        | : NIL |

As on the date of draft of this Draft Prospectus,

- There are no outstanding criminal litigations pending or filed by or against our Promoter except as mentioned below. Further, no criminal notices are/ were served in the name of the Promoter and no penalties have been imposed;
- There are no tax matters/ cases pending or filed by or against our Promoter except as mentioned below. Further, no tax notices are/ were served in the name of the Promoter and no penalties have been imposed;
- There are no civil cases pending or filed by or against our Promoter except as mentioned below. Further, No civil notices are/ were served in the name of the Promoter and no penalties have been imposed.

## **I. Criminal case against our Promoters**

- a. **NOTICE received from Economic Offence Wing (EOW), Palghar Branch in respect of Complaint filed by M R. Deepak Harkya Mangela objecting transaction of sale of lands bearing Survey No.79/10, 7 8/2, 77/13, 77/5, 74/1, 73/4, 73 Vasai & District Palghar by one Mrs. Heerubai Mangela & ORS to the Promoter Dr. Nitin V. Thorave.**

The applicant Mr. Deepak Harkya Mangela has made an application to lodged complaint in respect of Sale of said land by one Mrs. Heerubai Manegla to Dr. Nitin Thorave and objected the heirship of Mrs. Heerubai Manegla. According to the applicant the said lands were belonged to his deceased uncle Mr. Bhiva Nathu Mangela and the applicant alleged that Mrs. Heerubai Manegla is not a daughter of said MR. BHIWA MANGELA. The applicant also specified that while executing the Deed of Conveyance one relative of the applicant MR. SHAILESH VAITY has represented himself as witness of the said sale transaction which the applicant has objected in his application. Accordingly, the EOW, Palghar had served the notice to Mr. Shailesh Vaity & Others to present for further investigation.

The EOW Palghar had called Mr. Shailesh Vaity, Mr. Ravi Vaity, Mr. Deepak Mangela, Mr. Kashinath Mangela and Dr. Nitin Vithalrao Thorave for further investigation and explanation of the transaction. In the said investigation it has been revealed that Mrs. Heerubai Mangela is the only daughter of late Mr. Bhiva Mangela and Mr. Shailesh Vaity, Mr. Ravi Vaity, Mr. Deepak Mangela, Mr. Kashinath Mangela helped Dr. Nitin Vithalrao Thorave to complete the transaction by executing and registering the Deed of Conveyance dated 27/02/2010 and also to enter the name on 7x12 extract.

It has also revealed that upon completion of registration Dr. Nitin Vithalrao Thorave had paid a sum of Rs.1,50,000/- to the applicant Mr. Deepak Mangela as commission out of which Rs.50,000/- was paid through cheque No.415142 drawn on Vasai Vikas Sahakari Bank Ltd.

It has been revealed from the statements of witnesses that there is no truth found in the allegations made by the complainant and the complaint was lodged by the complainant out of the monetary disputes between applicant and his brother Mr. Kashinath Mangela and therefore EOW Palghar has completed the investigation and closed the matter for no further action against promoter as no evidences found against Dr. Nitin Vithalrao Thorave.

## **II. Criminal Litigations Filed By Our Promoters**

### **1. Akanksha Developers Through Proprietor. Dr. Nitin Vithalrao Thorave (Complainant) Vs. Shahi Builders & Developers (Accused) CRI.M.A./110/2019-Civil Court Junior Division Vasai**

The promoter Dr. Nitin Vithalrao Thorave had filed a criminal M.A U/S 138 of NI Act in the Civil Court Junior Division Vasai against the accused for issuing two dud cheques of Rs.2,00,00,000/- (each). The complainant stated that he is doing business of Sale, Purchase and development of the lands from many years and the accused are also in the activity of the development of the lands. The complainant stated that he is the owner of the land bearing Survey No.8, Hissa No.3 of Village Samel, Taluka Vasai and district Palghar (hereinafter referred to as “the said land.”) The Complainant stated that the accused had approached him for assigning development right of Building No.3 to be constructed on the said land and accordingly the complainant had executed Development Agreement dated 16/01/2016 duly registered under Serial No.371/2016 in favour of the accused and whereby granted the development rights unto the accused as per the terms and conditions of the said agreement. Accordingly, the accused were liable to pay certain sum to the complainant as a part of compensation decided between the parties and as stated in the said agreement. The accused has therefore issued two cheques of Rs.20,00,000/- each bearing Cheque No.000137 & 000138 both dated 30/10/2018 in favour of the complainant. On relying upon the assurance given by the accused that the cheques will be honored on presentation, the complainant had presented the said cheques in his bank account at Vasai Vikas Sahakari Bank, Virar West Branch, the said cheques were returned without payment under the note that signature differs on 09/01/2019. The complainant has also served the legal notice dated 30/01/2019 to the accused through his Advocate Mr. Ahmed Shaikh however the accused have refused the payment and not complied with the same till the filing of litigation. The said matter is presently pending.

### **2. Akanksha Developers Through Proprietor. Dr. Nitin Vithalrao Thorave (Complainant) V/S Hemraj Shrirang Sontakke And Two Others (Accused)- S.C.C./3774/2017-Civil Court Junior Division Vasai**

The complainant had filed a SCC U/S 138 of NI Act in the Civil Court Junior Division Vasai against the accused for issuing dud cheques of Rs.8,18,340/- towards outstanding maintenance.

Proprietor of M/s. Akanksha Developers (Builder & Developer), Dr. Nitin Vithalrao Thorave is carrying the construction under the name and style as “Dharavi Vivekanand CHS”. He states that he had handed over the possession of their respective flats/tenements/shops/commercial galas to the members of the Society who declared as eligible under the SRA Scheme. The Complainant submits that the Accused above named is the member of Dharavi Vivekanand CHS and is using his flat for residential purpose. The Complainant submits that the members of the Society have to pay the arrears of monthly maintenance irrespective of their occupied flat/tenement area in the aforesaid Building. The Complainant submits that some of the members committed default in paying the arrears of monthly maintenance. The Complainant therefore, issued the Notices to the defaulting members of said Dharavi Vivekanand CHS including the above Accused. The Complainant submit that the above-named Accused being the member of Dharavi Vivekanand CHS and thereby, he is liable to pay the monthly maintenance irrespective of his occupied flat/tenement in the Society. The Complainant submit that by the virtue of meeting held on 08-02-2017 in his presence and the Office bearers of the Society, Accused above named along with other members had agreed to pay the arrears of monthly maintenance amount to him. The Complainant submit that in order to clear the arrears of monthly maintenance payable to the Complainant, the above Accused have issued a Cheque bearing No. 009376 dated 05.07.2017 for Rs.8,18,340/- (Rupees Eight Lakhs Eighteen Thousand Three Hundred & Forty only) drawn on Tamiland Mercantile Bank Ltd, Dharavi Branch, Mumbai with regard to arrears of monthly



maintenance due and payable by him irrespective of his occupied flat/tenement in Dharavi Vivekanand CHS. The above Accused assured the Complainant that the said cheque will be honoured on its presentation before the Banker in his Bank account. The Complainant accordingly deposited the said Cheque before his Banker Vasai Vikas Sahakari Bank Ltd., Virar Branch on 29-08-2017. The Complainant submit that the said cheque was returned dishonoured vide Bank Return Memo dated 30-08-2017, with rema Stopped by the dishonour was received by the Complainant on 30-08-2017. The Complainant submit that by dishonouring the said cheque the above Accused have committed an offence punishable under section 138 of N.I. Act. The cheque was issued by the Accused from the bank account maintained by him and as such the Accused are also liable to be prosecuted and punished as per the provisions of Negotiable Instruments Act, 1881 and the said matter is presently pending.

3. **Akanksha Developers Through Proprietor Dr. Nitin Vithalrao Thorave (Complainant) V/S Mrs. Jatandevi Chandraoraprakash Hiran (Accused) S.C.C./3788/2017 Civil Court Junior Division Vasai**

The complainant had filed a SCC U/S 138 of NI Act in the Civil Court Junior Division Vasai against the accused for issuing dud cheques of Rs.1,03,200/- towards outstanding maintenance. Proprietor of M/s. Akanksha Developers (Builder & Developer) DR. NITIN THORVE is carrying the construction under the name and style as "Akanksha Developers". Being the part of this his business of construction as Developer, he developed the property situated at City Survey No. 97, 90ft Road, P.K. Kunte Nagar, Dharavi, Mumbai-400017 as per the S.R.A Scheme by constructing the Saleable component as well as the Rehab Building therein under the name & style as "Dharavi Vivekanand CHS". He states that he had handed over the possession of their respective flats/tenements/shops/commercial galas to the members of the Society who declared as eligible under the SRA Scheme. The Complainant submits that the Accused above named is the member of Dharavi Vivekanand CHS and is using his flat for residential purpose. The Complainant submits that the members of the Society have to pay the arrears of monthly maintenance irrespective of their occupied flat/tenement area in the aforesaid Building. The Complainant submits that some of the members committed default in paying the arrears of monthly maintenance. The Complainant therefore, issued the Notices to the defaulting members of said Dharavi Vivekanand CHS including the above Accused. The Complainant submit that the above-named Accused being the member of Dharavi Vivekanand CHS and thereby, he is liable to pay the monthly maintenance irrespective of his occupied flat/tenement in the Society. The Complainant submit that by the virtue of meeting held on 08-02-2017 in his presence and the Office bearers of the Society, accused above named along with other members had agreed to pay the arrears of monthly maintenance amount to him. The Complainant submit that in order to clear the arrears of monthly maintenance payable to the Complainant, the above Accused have issued a Cheque bearing No. 000047 dated 29-08-2017 for Rs.1,03,200/- (Rupees One Lakh Three Thousand Two Hundred only) drawn on Bank of Baroda, Bhaudaji Road Branch, Mumbai with regard to arrears of monthly maintenance due and payable by him irrespective of his occupied flat/tenement in Dharavi Vivekanand CHS. The above Accused assured the Complainant that the said cheque will be honoured on its presentation before the Banker in his Bank account. The Complainant accordingly deposited the said Cheque before his Banker Vasai Vikas Sahakari Bank Ltd., Virar Branch on 29-08-2017. The Complainant submit that the said cheque was returned dishonoured vide Bank Return Memo dated 30-08-2017, with remark "Funds Insufficient", as there were no sufficient funds in your bank account to honour the said Cheque. The intimation of dishonour was received by the Complainant on 30-08-2017. The Complainant submit that by dishonouring the said cheque the above Accused have committed an offence punishable under section 138 of N.I. Act. The cheque was issued by the Accused from the bank account maintained by him and as such the Accused are also liable to be prosecuted and punished as per the provisions of Negotiable Instruments Act, 1881 and the said matter is presently pending.

4. **Akanksha Developers Through Proprietor Dr. Nitin Vithalrao Thorave (Complainant) V/S Mr. Kanakraj Nadar (Accused) S.C.C./3790/2017 Civil Court Junior Division Vasai**

The complainant had filed a SCC U/S 138 of NI Act in the Civil Court Junior Division Vasai against the accused for issuing dud cheques of Rs.93,600/- towards outstanding maintenance.

Proprietor of M/s. Akanksha Developers (Builder & Developer) Dr. Nitin Thorave is carrying the construction under the name and style as "Akanksha Developers". Being part of his business of construction as Developer, he developed the property situated at City Survey No. 97, 90ft Road, P.K. Kunte Nagar, Dharavi, Mumbai- 400 017 as per the S.R.A Scheme by constructing the Saleable component as well as the

Rehab Building therein under the name and style as “Dharavi Vivekanand CHS”. He states that he had handed over the possession of their respective flats/tenements/shops/commercial galas to the members of the Society who declared as eligible under the SRA Scheme. The Complainant submits that the Accused above named is the member of Dharavi Vivekanand CHS and is using his flat for residential purpose. The Complainant submits that the members of the Society have to pay the arrears of monthly maintenance irrespective of their occupied flat/tenement area in the aforesaid Building. The Complainant submits that some of the members committed default in paying the arrears of monthly maintenance. The Complainant therefore, issued the Notices to the defaulting members of said Dharavi Vivekanand CHS including the above Accused. The Complainant submit that the above-named Accused being the member of Dharavi Vivekanand CHS and thereby, he is liable to pay the monthly maintenance irrespective of his occupied flat/tenement in the Society. The Complainant submit that by the virtue of meeting held on 08-02-2017 in his presence and the Office bearers of the Society, Accused above named along with other members had agreed to pay the arrears of monthly maintenance amount to him. The Complainant submit that in order to clear the arrears of monthly maintenance payable to the Complainant, the above Accused have issued a Cheque bearing No. 000394 dated 29-08-2017 for Rs.93,600/- (Rupees Ninety-Three Thousand Six Hundred only) drawn on Apana Sahakari Bank Ltd, Dharavi Branch, Mumbai with regard to arrears of monthly maintenance due and payable by him irrespective of his occupied flat/tenement in Dharavi Vivekanand CHS. The above Accused assured the Complainant that the said cheque will be honoured on its presentation before the Banker in his Bank account. The Complainant accordingly deposited the said Cheque before his Banker Vasai Vikas Sahakari Bank Ltd., Virar Branch on 29-08-2017. The Complainant submit that the said cheque was returned dishonoured vide Bank Return Memo dated 30-08-2017, with remake “Funds Insufficient”, as there were no sufficient funds in your bank account to honour the said cheque. The intimation of dishonour was received by the Complainant on 30-08-2017. The Complainant submit that by dishonouring the said cheque the above Accused have committed an offence punishable under section 138 of N.I. Act. The cheque was issued by the Accused from the bank account maintained by him and as such the Accused are also liable to be prosecuted and punished as per the provisions of Negotiable Instruments Act, 1881 and the said matter is presently pending.

**5. Akanksha Developers Through Proprietor Dr. Nitin Thorave (Complainant) V/S Mr. T. Annadasa (Accused) S.C.C./3776/2017 Civil Court Junior Division Vasai**

The complainant had filed a SCC U/S 138 of NI Act in the Civil Court Junior Division Vasai against the accused for issuing dud cheques of Rs.1,18,300/- towards outstanding maintenance.

Proprietor of M/s. Akanksha Developers (Builder & Developer) Dr. Nitin Thorave is carrying the construction under the name and style as” Akanksha Developers”. Being the part of his business of construction as Developer, he developed the property situated at City Survey No. 97, 90ft Road, P.K. Kunte Nagar, Dharavi, Mumbai- 400 017 as per the S.R.A Scheme by constructing the Saleable component as well as the Rehab Building therein under the name and style as “Dharavi Vivekanand CHS”. He state that he had handed over the possession of their respective flats/tenements/shops/commercial galas to the members of the Society who declared as eligible under the SRA Scheme. The Complainant submits that the Accused above named is the member of Dharavi Vivekanand CHS and is using his flat for residential purpose. The Complainant submits that the members of the Society have to pay the arrears of monthly maintenance irrespective of their occupied flat/tenement area in the aforesaid Building. The Complainant submits that some of the members committed default in paying the arrears of monthly maintenance. The Complainant therefore, issued the Notices to the defaulting members of said Dharavi Vivekanand CHS including the above Accused. The Complainant submit that the above-named Accused being the member of Dharavi Vivekanand CHS and thereby, he is liable to pay the monthly maintenance irrespective of his occupied flat/tenement in the Society. The Complainant submit that by the virtue of meeting held on 08-02-2017 in his presence and the Office bearers of the Society, Accused above named along with other members had agreed to pay the arrears of monthly maintenance amount to him. The Complainant submit that in order to clear the arrears of monthly maintenance payable to the Complainant, the above Accused have issued a Cheque bearing No. 119807 dated 29-08-2017 for Rs.1,18,300/- (Rupees One Lakh Eighteen Thousand Three Hundred only) drawn on Indian Bank, Sion Branch, Mumbai with regard to arrears of monthly maintenance due and payable by him irrespective of his occupied flat/tenement in Dharavi Vivekanand CHS. The above Accused assured the Complainant that the said cheque will be honoured on its presentation before the Banker in his Bank account. The Complainant accordingly deposited the said Cheque before his Banker Vasai Vikas Sahakari Bank Ltd., Virar Branch on 29-08-2017. The Complainant submit that the said cheque

was returned dishonoured vide Bank Return Memo dated 30-08-2017, with remake “Funds Insufficient”, as there were no sufficient funds in your bank account to honour the said cheque. The intimation of dishonour was received by the Complainant on 30-08-2017. The Complainant submit that by dishonouring the said cheque the above Accused have committed an offence punishable under section 138 of N.I. Act. The cheque was issued by the Accused from the bank account maintained by him and as such the Accused are also liable to be prosecuted and punished as per the provisions of Negotiable Instruments Act, 1881 and the said matter is presently pending.

**6. Akanksha Developers Through Proprietor Dr. Nitin Thorave (Complainant) V/S Mr. Joncy Paulraj (Accused) S.C.C./3791/2017 Civil Court Junior Division Vasai**

The complainant had filed a SCC U/S 138 of NI Act in the Civil Court Junior Division Vasai against the accused for issuing dud cheques of Rs.1,01,400/- towards outstanding maintenance. Proprietor of M/s. Akanksha Developers (Builder & Developer) Dr. Nitin Vitthalrao Thorave is carrying the construction under the name and style” Akanksha Developers”. Being part of his business of construction as Developer, he developed the property situated at City Survey No. 97, 90ft Road, P.K. Kunte Nagar, Dharavi, Mumbai-400 017 as per the S.R.A Scheme by constructing the Saleable component as well as the Rehab Building therein under the name & style as “Dharavi Vivekanand CHS”. He state that he had handed over the possession of their respective flats/tenements/shops/commercial galas to the members of the Society who declared as eligible under the SRA Scheme. The Complainant submits that the Accused above named is the member of Dharavi Vivekanand CHS and is using his flat for residential purpose. The Complainant submits that the members of the Society have to pay the arrears of monthly maintenance irrespective of their occupied flat/tenement area in the aforesaid Building. The Complainant submits that some of the members committed default in paying the arrears of monthly maintenance. The Complainant therefore, issued the Notices to the defaulting members of said Dharavi Vivekanand CHS including the above Accused. The Complainant submit that the above-named Accused being the member of Dharavi Vivekanand CHS and thereby, he is liable to pay the monthly maintenance irrespective of his occupied flat/tenement in the Society. The Complainant submit that by the virtue of meeting held on 08- 02-2017 in his presence and the Office bearers of the Society, Accused above named along with other members had agreed to pay the arrears of monthly maintenance amount to him. The Complainant submit that in order to clear the arrears of monthly maintenance payable to the Complainant, the above Accused have issued a Cheque bearing No. 428524 dated 29-08-2017 for Rs.1,01,400/- (Rupees One Lakh One Thousand Four Hundred only) drawn on Indian Overseas Bank, Dharavi Branch, Mumbai with regard to arrears of monthly maintenance due and payable by him irrespective of his occupied flat/tenement in Dharavi Vivekanand CHS. The above Accused assured the Complainant that the said cheque will be honoured on its presentation before the Banker in his Bank account. The Complainant accordingly deposited the said Cheque before his Banker Vasai Vikas Sahakari Bank Ltd., Virar Branch on 29-08-2017. The Complainant submit that the said cheque was returned dishonoured vide Bank Return Memo dated 30-08-2017, with remark “Funds Insufficient”, as there were no sufficient funds in your bank account to honour the said cheque. The intimation of dishonour was received by the Complainant on 30-08-2017. The Complainant submit that by dishonouring the said cheque the above Accused have committed an offence punishable under section 138 of N.I. Act. The cheque was issued by the Accused from the bank account maintained by him and as such the Accused are also liable to be prosecuted and punished as per the provisions of Negotiable Instruments Act, 1881 and the said matter is presently pending.

**III. Civil Litigations Against Our Promoters**

**a. K.S./1300528/2011bazil Silu @ Sylvester Dmello (Plaintiff) V/Sdr. Dr. Nitin Vitthalrao Thorave Ors (Defendants)**

The plaintiff has filed an injunction application before (Hon) Civil Judge Vasai for seeking declaration and perpetual injunction in respect of various land properties of village Tembhi, Taluka Vasai and district Palghar bearing Survey No.8/6, 8/2, 8/4, 8/5, 8/16/1, 1/3, 10/12, 10/15, 131/4, 23/5 (Hereinafter referred to as the “said lans)

The plaintiff stated that previously he was the owner of the said land and he has come to know that by virtue of the Deed of Conveyance dated 11/02/2011 duly registered with Office of Sub Registrar Vasai-2 under Sr.No.2092 the said lands were conveyed in the name of Dr. Nitin Vitthalrao Thorave and Mutation Entry

No.343 was certified for transferring the said lands in the name of Dr. Nitin Vitthalrao Thorave in the Revenue Record. The plaintiff stated that he was not made party to the said deed of conveyance and he has not received consideration as mentioned in the said deed of conveyance. The plaintiff stated that the said deed of conveyance was executed on the basis of power of attorney dated 18/07/2007 by one MR. VICTOR D'SILVA and the said power of attorney was not registered and been notarized. The plaintiff has therefore filed the suit for cancellation of said deed of conveyance. However, the defendants have denied the allegations of the plaintiff. The defendants in their reply stated that they have paid the valuable consideration to the Plaintiff. And accordingly, the peaceful possession was handed over to the defendants with the knowledge of the plaintiff. The defendants therefore denied the allegation of plaintiff that he is in actual physical possession of the said lands and he uses, occupies the same. The defendants have also denied the undervaluation of the said deed of conveyance. The defendants in their reply stated that as the rates of the lands have increased, the plaintiff has filed present suit to blackmail defendants to fetch more money by filing illegal suit. The defendants stated that the suit property has been legally purchased by the defendants and the mutation entry recording the name of defendant is also legal within the frame work of law. The defendants have prayed the Hon'ble Court not to grant any relief as prayed by the plaintiff as it will amount into huge losses to defendants and suit to be dismissed with heavy costs, However the present matter is pending before the court.

#### **IV. Civil Litigations By Our Promoters**

##### **a. Dr. Nitin Vitthalrao Thorave (Appellant) xV/S Navnit Motors (Respondents) Fa/105/2021- National Consumer Dispute Redressal Commission (New Delhi)**

The Appellant had purchased BMW car from respondents for the valuable consideration. However, the respondents have made false representation while purchasing about the features and performance of the car whereby the appellant relied and suffered due to false representation of respondents. Hence the appellant filed an appeal seeking the order against unfair trade practices of respondents. The Appellant/Org. Complainant Dr. Nitin Vitthalrao Thorave, residing at Swapna ShilpBungalow, Aarti Apartment, Vartak Road, Virar (East), Palghar 401 303, filed the Complaint against Opp. Party M/s. Navnit Motors who are guilty of deficiency in service within the meaning and definition of "Deficiency in Services & Unfair Trade Practise U/s. 2(1)(g) and (r) respectively of the said Act". The Respondent/Opp. Party i.e., Navnit Motors, having its Showroom at Cwing, Waterfold Building, C.D. Barfiwala Marg, Juhu Lane, Andheri (w), Mumbai 400 058 also having its registered office at Navnit Motors, 6, Mehta Chambers, Kalyan Street, Nandalal Jani Road, Mumbai 400 009. The Appellant had purchased a BMW Car No. KH-04-CW-1000, Model No. 520D CKD IND RL, Model Code No. FW75 WBAFW75000C471863, Initial Registration Engine No. 71377628, Reference Type: FW75 A17 LCCX Z4WU, Description: - Havana Metallic Leather Dakota Oyster/Black Standard on 10-08-2011 from the Opp. Party from its Showroom situated at C Wing, Waterford Bldg., C.D. Barfiwala Marg, Juhu Lane, Andheri (w), Mumbai 400 058. The Appellant has paid the vehicle purchase amount of Rs.36,45,000/- (Rupees Thirty-Six Lakhs Forty-Five Thousand only) to the Opposite Party through Cash / Cheque for the said vehicle. The Appellant states that while purchasing the vehicle (BMW) from the showroom the Sales person of the Opposite Party represented that the vehicle was given without Stepney, the Appellant upon asking as to why it was not there upon this Sale Representative as well as the Dealer told to the Appellant that BMW does not require Stepney as the said vehicle got special technology of tyre by which even after the puncture or flat tyre in that case one can drive the vehicle up to 150 to 200 k.m safely so there will not be any problem to the Appellant. The Appellant by replying upon the said Representation and statements then purchased the Vehicle (BMW). The Appellant has paid necessary registration charges and the taxes payable to the R.T.O. for the said vehicle. On 15-08-2012 the Appellant went along with his family to religious place at Shirdi, Nashik, on his arrival to Mumbai in the evening from Shirdi via Trribekeshwar, Jawar Vikramgarh Road at about 10 p.m. the left side Tyre of B.M.W. vehicle got punctured and vehicle stopped in the Forest and Hilly area in the darkness. The Appellant and his family members including small children got scared and received hyper tension and mental trauma. The Applicant got shocked and surprised to see that vehicle was not reached to the distance of 150 to 200 k.m. as represented by the Dealer and Sales Staff of the Opposite Party, the vehicle only in travel of 35 k.m. the tyre got separated from Rim. The Appellant then any how arranged the Private Vehicle from Manor to Mumbai in the late night. The Appellant received tremendous mental trauma and further due to such incidence it caused risks to the life and limb of the Appellant and his family members. It further consumed the valuable time of the Appellant who is the Doctor by profession. The Appellant states that due to the false representation on the part of the Opposite Party the Appellant sustained irreparable loss and damage and also caused danger to his life and life of his family members including small children. The Appellant stated that the Opposite party therefore,

has committed the guilty of “deficiency in services” and further “unfair trade practice” U/s (2)(1)(g) and (r) of The Consumer Protection act. The Appellant thereafter called the Opposite Party to pay the compensation amount of Rs.25,79,336/- (Rupees Twenty Five Lakhs Seventy Nine Thousand Three Hundred Thirty Six) for the loss and damages suffered by him due to the act of “deficiency in service” and “unfair trade practise” committed by the Opposite party. The Appellant through his Advocate sent Legal Notice dated 25-10-2012 to the Opposite Party regarding the Claim and compensation. The said Notice was sent on the Showroom address and the registered address of the Opposite Party and same has been received by the Opposite Party. There was No Reply was given by the Opposite Party within the prescribed time as mentioned therein. Thus, the Opposite Party had committed an offense of deficiency in service and unfair trade practise moreover, they also cheated, duped and deceived the Appellant. The Appellant states that the Opposite Party therefore, are the guilty of deficiency in service and unfair trade practice as per the provisions of Consumer Protection Act, 1986. The Appellant filed the Complaint No. CC/13/313 against the Opposite Parties for redressal of grievances so also for compensation for the loss and damages sustained by the Appellant/Org. Applicant therein. The Appellant had filed the Consumer Complaint on 05-07-2013 against the Opposite Party. The State Consumer Disputes Redressal Commission, Maharashtra, Mumbai had issued the Notice before admission on 16-09-2013 and kept the matter for admission on 09-12-2013. On 09-12-2013, the Opposite Party had taken the adjournment on the ground that Vice President was unable to attend the Commission due to the death of his closer relative, therefore, the matter was adjourned to 06-01-2014. On 06-01-2014, the Opposite Party had filed the Vakalatnama and replied to oppose the admission of the complaint and then the matter was fixed for hearing on admission on 11-02-2014. On 11-02-2014, the Advocate appearing for the Complainant due to heavy traffic reached to the Court late in meantime the matter was called out and the Hon’ble Commission marked absent. The Hon’ble Commission without keeping back the matter, hurriedly passed the Order on 11-02-2014 and thereby rejected the complaint without giving an opportunity of hearing to the Complainant or to his counsel appearing on record on admission stage itself. The Hon’ble Commission given observation that repeatedly the matter was adjourned on point of admission. In fact, as per the Roznama the Complainant to his counsel was present on every date, however, the Opposite Party by one way or the other reason took the adjournments. The Hon’ble State Commission wrongly held that the claim of the Complainant is below one lakh in fact the complainant has filed his claim to the tune of Rs.25,00,000/-. It is further wrongly held by the State Commission in its Order dated 11-02-2014, that the Complainant had failed to make out the case on the point of pecuniary jurisdiction. The State Commission had passed the Order dated 11-02-2014 without giving opportunity of hearing to the Complainant through his counsel and thereby committed gross error and further without keeping back the matter rejected the complaint by hearing one side and thus, committed injustice against the Complainant. Therefore, the Appellant filed separate Application for delay condonation. The delay is not intentional or deliberate, hence, it needs to be condoned and the Appeal may be admitted, in the interest of justice and the matter is presently pending.

**b. Dr. Nitin Thorave (Plaintiff) V/S Dr. Kiran Chintaman Mhatre & Others (Defendants) Ma No.33/2018 In Suit No.2980/2010 (Hc Suit No.211/2010) At Bombay City Civil Court**

Plaintiff has filed a summary suit under Order XXXVII, Rule-2 of CPC, 1908 in the Hon’ble High Court seeking a decree against defendants for a sum of Rs.7,53,541/- being the amount due and payable by the defendants to the plaintiff by way of discharge of their liability under the cheques issued by the defendants in favour of plaintiff. The Summary Suit was numbered as Summary Suit No.211 of 2010. The plaintiff has taken out Summons for Judgment No.131 of 2010 inter alia praying for the relief for judgment be entered for the plaintiff for the sum of Rs.7,53,541/- @ 18% p.a. or on such rate as Hon’ble High Court may deem fit from the date of the suit till payment with cost. The defendants appeared and filed their reply to the summons for judgment and opposed the reliefs prayed in the summons for judgment. After hearing both the parties the Hon’ble High Court vide order dated 13/01/2012 was pleased to pass a decree in the suit for the sum of Rs.2,00,000/- together with interest thereon @ 12% p.a. from the date of the suit till payment. The defendants being aggrieved and dissatisfied by the order dated 13/01/2012 had further filed Appeal No.131/2012. Due to the change in pecuniary jurisdiction of the Hon’ble Court, the Summary Suit No.211/2010 was transferred to the Hon’ble City Civil Court and the matter was re-numbered as Suit No.102980/2010 and the matter appeared before court on various dates. As nobody appeared on behalf of plaintiff, the matter was dismissed for default on 14/09/2015. The Defendant have further filed Miscellaneous Appeal and the same is pending before the court.

## V. Tax Related Matters

### Tax Claims made against our Promoter

Particulars	No. of cases	Aggregate amount involved (in Rs.)
Direct Tax	3	23.47 Lakhs
Indirect Tax	NIL	Not ascertainable
<b>Total</b>	<b>3</b>	<b>23.47</b>

\* Since it includes the TDS Defaults for the prior year. These are demands raised by Income Tax Department for 3 years resulted due to mismatch in payment challans. The amounts are as per the Income Tax Website records on 25<sup>th</sup> September 2021.

### Tax Claims made by our Promoter

Particulars	No. of cases	Aggregate amount involved (in Rs.)
Direct Tax	2	160.56 Lakhs
Indirect Tax	NIL	NIL
<b>Total</b>	<b>2</b>	<b>160.56 Lakhs</b>

\* 2 Appeals are pending before Appellate Authority of Income Tax. For two years, we have preferred appeals before the Income Tax Appellate Authorities against the Assessment orders passed by the Assessing Officer. For the year FY\_\_2014-15, the issue in the Appeal is in about the valuation of the land sold in the year. For the year FY 2015-16, the issue in the appeal is regarding the disallowance of certain expenditure incurred in the year.

### (C) Pending Litigations Relating to the Directors of Our Company

- a) Criminal case against our Directors : NIL
- b) Civil Cases Against Our Directors : NIL
- c) Criminal Cases Filed By Our Directors : NIL
- d) Civil Case Filed By Our Directors : NIL
- e) Cases Relating To Tax Matters : NIL

### (D) Litigations Relating to Our Promoter Group and Group Companies/ Entities

- a) Criminal case against our Promoter Group and Group Companies/ Entities : NIL
- b) Civil Cases Against Our Promoter Group and Group Companies/ Entities : NIL
- c) Criminal Cases Filed by Our Promoter Group and Group Companies/ Entities : YES
- d) Cases relating to Tax Matters : YES
- e) Civil Case Filed by Our Promoter Group and Group Companies/ Entities : NIL

As on the date of draft of this Draft Prospectus,

- Except as disclosed in point no. B(II)(a),(b), (c), (d), (e), (f) above and in point D below, there are no outstanding criminal litigations pending or filed by or against our Promoter Group and Group Companies/ Entities except as mentioned below. Further, no criminal notices are/ were served in the name of the Promoter Group and Group.

Companies/ Entities and no penalties have been imposed;

- There are no tax matters/ cases pending or filed by or against our Promoter Group and Group Companies/ Entities except as mentioned below. Further, no tax notices are/ were served in the name of the Promoter Group

- and Group Companies/ Entities and no penalties have been imposed;
- There are no civil cases pending or filed by or against our Promoter Group and Group Companies/ Entities. Further, No civil notices are/ were served in the name of the Promoter Group and Group Companies/ Entities and no penalties have been imposed.

#### **I. Criminal Litigation Filed By Our Company:**

##### **a. San Trica Realtors Pvt Ltd (Petitioner) V/S Pawar Construction &Ors (Respondents) Criminal Wp No.134351/2021**

This petition seeks to quash the criminal complaint being SCC No.15007/2019 file by respondent no.1-original complainant U/s 138 of NI Act,1881.

The petitioner states that one false Criminal Complaint bearing original complainant against the Petitioners herein under the provisions of Section 138 of the Negotiable Instruments Act, 1881. The said Criminal Complaint was filed on 18<sup>th</sup> March 2019 in the court of Judicial Magistrate First Class, Pune. The Petitioners state that the Petitioner No.1 is a company registered under the provisions of the Companies Act, 1956 and is doing the business of hotel and restaurant at Pune. The Petitioners state that it is the case of the original Complainant therein that the complainant is a sole proprietary Firm and Mr. Paramvir Pawar is a sole proprietor of the said Firm. The Complainant is in the business of construction work of RCC, Bricks work, Electrification, Plumbing, Fabrication, Water-proofing and all kinds of residential as well as commercial construction works. The Petitioners submit that it is case of the original Complainant that in June, 2014, the Petitioner No. 2 and 3 had approached the Complainant for work relating to the renovation, plumbing, fabrication etc. at Hotel Ranjeet, Bhandarkar Road, Pune. The Complainant has further alleged in the complaint that the project work cost of Rs. 1,34,27,008/- was decided between the Complainant and the Petitioner No.2. Accordingly, the original Complainant has started the work and from time to time raised the bills and Petitioner No. 2 & 3 used to pay said bills via RTGS/NEFT/CHEQUES. In the month of March 2016, the Petitioner No. 2 and 3 had informed the Complainant to stop the work as they were in financial difficulties. It is the say of the original Complainant that at that time, he informed the Petitioner No. 2 and 3 to clear the outstanding bill amount raised by the complainant viz. an amount of Rs. 40,17,924/-. When the Complainant approached the Petitioner No. 2 and 3 in March 2018, the Petitioner No. 2 and 3 assured to clear the pending bills by the end of 2018 and on 16<sup>th</sup> March 2018, the Petitioner No. 2 issued three security cheques viz. cheques nos. 249903, 249904 and 249905 of five lakhs each drawn on Corporation Bank, Deccan Gymkhana branch, Pune. On 20<sup>th</sup> July 2018, the Petitioner No. 2 transferred Rs. 1,00,000/-cheque nos. 269065, 269066, 269067 and 269068, of five lakhs each, drawn on Corporation Bank, Deccan Gymkhana branch, Pune. On 29/08/2018 & 18/09/2018 The Petitioner No.2 transferred Rs. 1,00,000/- on each date by RTGS to complainant account. On 29/01/2019 the Complainant has deposited those seven cheques into his account viz. Pawar Construction at Pusad Urban Co-operative Bank Ltd. Kothrud Branch, Pune and all those demand notice on 8<sup>th</sup> February 2019 by RPAD and Speed Post and the same is served upon the Petitioners on 11<sup>th</sup> February 2019. The Criminal Complaint being S.C.C. No.15007 of 2019 came to be filed before the Learned Judicial Magistrate, First Class, Pune, under the provisions of Section 138 of the Negotiable Instruments Act, 1881. On the face of the Criminal Complaint being S.C.C. No. 15007 of 2019, the said criminal proceedings is an abuse of process of Law as the same is not maintainable under the provisions of section 138 of the Negotiable Instruments Act, 1881. Hence this Writ Petition is filed by the Petitioner to seek justice and the same is pending before Hon'ble High Court Bombay.

#### **TAX RELATED MATTERS BY OUR COMPANY AND GROUP COMPANIES**

Except mentioned below there are no other tax proceedings involving our Company, our Promoters, our Group Companies, or our Directors.

##### **a. Tax Claims made against San Trica Realtors Pvt Ltd.**

<b>Particulars</b>	<b>No. of cases</b>	<b>Aggregate amount involved (in Rs.)</b>
Direct Tax	0	NIL
Indirect Tax	1	6.97 Lakhs
<b>Total</b>	<b>1</b>	<b>6.97 Lakhs</b>

We have preferred an appeal against the Notice of Demand raised by the Assistant Commissioner of Sales Tax-VAT Department, issue in the appeal is about the disallowance of set off of taxes paid on purchases.

**b. Tax Claims made by San Trica Ealtors Pvt Ltd.**

Particulars	No. of cases	Aggregate amount involved (in Rs.)
Direct Tax	4	264.78 Lakhs
Indirect Tax	NIL	NIL
<b>Total</b>	4	264.78 Lakhs

*\*4 Appeals are pending before Appellate Authority of Income Tax against the orders passed by the Assessing officer. For the year 2009-10 the appeal is filed due to the issue pertaining to the Share Premium on share transfer. For the Year 2013-14, the issue in the appeal is about the Share Premium on transfer of shares and Confirmation of unsecured loans taken and another appeal against the Penalty order passed by the assessing officer. For the year 2014-15 the issue in the appeal is about the Confirmation of unsecured loans taken.*

Appeal is filled against order u/s 147 of income tax against Investment made by company.

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

**PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of the Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

**MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Prospectus.

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**



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

## **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

## **OUTSTANDING DUES TO CREDITORS**

The Board of Directors of our Company at their meeting held on August 30, 2022, has decided that the creditors of our Company to whom an amount exceeding 5% of the Company's consolidated net profit as per the last audited financial statements was outstanding, were considered 'material' creditors. Based on these criteria, our Company had the following creditors as on June 30, 2022:

<b>Particulars</b>	<b>No. of Creditors</b>	<b>Amount Outstanding (Rs. in Lakhs)</b>
Dues to small scale undertakings	-	-
Material dues to creditors	81	118.30
Other dues to creditors	7	23.79
<b>Total</b>		<b>142.09</b>

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small-scale industries or any MSMEs any amounts exceeding ₹1.00 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at [www.santrica.com](http://www.santrica.com). It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

## **MATERIAL DEVELOPMENTS**

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page no. 189, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the SME Platform of BSE.

## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental or regulatory authority, or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.*

*For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled 'Key Industry Regulations and Policies' on page no. 117 of this Draft Prospectus.*

### A) APPROVALS FOR THE ISSUE

1. Our Board has pursuant to a resolution passed at its meeting dated on August 30, 2022, under Section 62(1)(c) of the Companies Act 2013, authorized the Fresh Issue of Equity Shares, subject to the approval of the shareholders and such other authorities as may be necessary.
2. Our Shareholders have pursuant to a special resolution passed at their meeting dated September 30, 2022 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013, authorized the Fresh Issue of Equity Shares.
3. Our Company has obtained an approval from the Emerge Platform of BSE Limited for listing our Equity Shares through their Letter dated [●] bearing reference number [●].
4. Agreement dated February 23, 2022 between CDSL, the Company and the Registrar to the Issue;
5. Agreement dated February 28, 2022 between NSDL, the Company and the Registrar to the Issue;
6. The Company's International Securities Identification Number ("ISIN") is INE0KTV01015.

### B) APPROVALS IN RELATION TO THE COMPANY

7. Certificate of Incorporation dated April 09, 2007 under the name of "San Trica Realtors Private Limited" was issued by the Registrar of Companies, Mumbai.
8. Fresh Certificate of Incorporation dated January 19, 2022 under the name of "San Trica Realtors Limited." was issued by the Registrar of Companies, Mumbai, upon name change of the company from "San Trica Realtors Private Limited" to "San Trica Realtors Limited"
9. The Corporate Identity Number (CIN) of the Company is U45400MH2007PLC169803.

### C) APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Issuing Authority	Registration / License No.	Nature of Registration / License	Date of Registration/Issue	Valid Up to
Registration in Income Tax Department, GoI	AALCS0023P	Allotment of Permanent Account Number (PAN) under the name of <b>San Trica Realtors Private Limited</b>	09-04-2007	Valid Till Cancelled
Registration in Income Tax Department, GoI	AALCS0023P	Allotment of Permanent Account Number (PAN) under the name of <b>San Trica Realtors Limited</b>	09-04-2007	Valid Till Cancelled
Government of India	27AALCS0023P1Z3	Form GST REG-06-Registration Certificate- <b>Registered Office</b>	27/09/2022	Valid t-ill cancelled
Commissioner of Income Tax, Mumbai	PNES22496F	Allotment of Tax Deduction Account Number ( <b>TAN</b> )		Valid till cancelled
Ministry of Micro, Small and Medium Enterprises, GoI	UDYAM-MH-26-0213484	Udyam Registration Certificate	22/01/2022	Valid till cancelled
Government of India	11518034000148	Food Safety and Standard Act, 2006	28-02-2018	27-02-2023

#### D) INTELLECTUAL PROPERTY RIGHTS

As on the date of this Draft Prospectus, neither has Our Company registered its logo or company`s name with the Registrar of Trademarks nor does it own any trademarks registered under the Trademarks Act. Further, the company does not have any other kind of Intellectual Property Rights and has confirmed that no other applications have been made by our Company nor has it registered any other type of intellectual property including trademarks/copyrights/patents etc.

In the future the company may make an application with the Registrar of Trademarks to register its logo or company`s name.

#### E) Other Confirmations:

As on date of this Draft Prospectus, our Company confirms that the following is not applicable:

- Approvals applied for but not yet received / Renewals made in the usual course of business
- Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required.

## SECTION XI- OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

1. The Fresh Issue of Equity Shares has been authorized by a resolution by the Board of Directors passed at their meeting held on August 30, 2022 under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the shareholders and such other authorities as may be necessary.
2. The Fresh Issue of Equity Shares has been authorized by a resolution by the AGM passed at their meeting held on September 30, 2022 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '**Government and Other Approvals**' beginning on page no. 210 of this Draft Prospectus.

Our Company has received approval from BSE *vide* their letter dated [●] to use the name of BSE in this Draft Prospectus for listing of the Equity Shares on SME Platform of BSE which is the Designated Stock Exchange.

### Prohibition by SEBI, RBI or Governmental Authorities

We confirm that our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the directors and promoters of our Promoter Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

We also confirm that our Promoters, Directors or Group Companies or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Further, none of our Directors are or were associated with any entities which are engaged in securities market related business and are or registered with SEBI for the same.

We, further confirm that none of our Company, its Promoters, relatives of Promoters (as defined under Companies Act, 2013) its Directors and its Group Companies have been identified as willful defaulters or fraudulent borrowers by the RBI or other authorities.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("**SBO Rules**"), to the extent applicable, as on the date of the Draft Prospectus.

### Association with Securities Market

We confirm that none of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors except as stated under the chapters titled "**Risk factors**", "**Our Promoters and Promoter Group**", "**Group Companies /Entities**" and "**Outstanding Litigations and Material Developments**" beginning on page nos. 25, 149, 156 and 197 respectively, of this Draft Prospectus.

### Eligibility for the Issue

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with **Regulation 229(1)** and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is less than Ten Crores Rupees and we may hence 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 SME Platform of BSE) known as BSE SME.

We confirm that we comply with Regulation 229 (3) of the SEBI ICDR Regulations and all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

- 1) Our Company was incorporated on April 09, 2007 under Companies Act, 1956.
- 2) The Post Issue Paid-up Equity Share Capital will be Rs. 9.77 Crores which is less than Rs. 25.00 Crores.
- 3) Our Company has positive Net worth. The Net worth of our Company as per the latest Audited Financial Statements (as on June 30, 2022) is Rs. 1095.10 Lakhs.
- 4) Our Company has a track record of three years of existence as on the date of filing of this Draft Prospectus / the Prospectus.
- 5) Our Company has operating profits (Earnings before interest, depreciation and tax) from operations for at least any 2 (two) out of 3 (three) financial years preceding the date of filing of this Draft Prospectus / the Prospectus and the net worth of our Company is positive as per the latest audited financial statements.

(Rs. in Lakhs)

Particulars	As at June 30, 2022	As on March 31,		
		2022	2021	2020
Profit before Tax	255.66	155.03	(190.24)	(105.76)
Add Depreciation	21.55	96.75	105.78	111.85
Add Interest	17.8	73.33	75.99	92.91
Less other income	15.93	0	0.08	0.63
Operating Profit (earnings before interest, depreciation and tax)	279.08	325.11	(8.55)	98.37
Networth	1095.10	(283.07)	(1004.06)	(813.82)

- 6) There is no change in the promoter/s of the Company in the preceding one year from date of filing application with SME Platform of BSE.
- 7) Our Company has entered into the tripartite agreements with NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode.
- 8) Our Company has a live and operational website: [www.santrica.com](http://www.santrica.com)
- 9) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- 10) There is no winding up petition against our Company, which has been admitted by the court. Also, no liquidator has been appointed.
- 11) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company or Promoters or our Directors or members forming a part of the Promoter Group or Our Companies/ Entities except as mentioned in the chapter titled "**Outstanding Litigation and Material Developments**" beginning on page 197 of this Draft Prospectus.

We further confirm that:

- a) Our Company is not ineligible to make the Issue in terms of **Regulation 228** of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- 1) Neither our Company, our Promoters, member belong to the Promoter Group, our Group Companies/ Entities, our Directors and the companies with which our Promoters & Directors are associated as directors or promoters or persons in control of any other company have been prohibited/debarred from accessing or operating in the capital markets under any order or direction passed by SEBI;
  - 2) None of our Company, our Promoters, member belong to the Promoter Group, our Group Companies/ Entities, our Directors and the companies with which our Promoters & Directors are associated as directors or promoters or persons in control of any other company have not been declared as **‘Wilful Defaulter’** and/ **‘Fraudulent Borrowers’** as on the date of filing this Draft Prospectus.
  - 3) None of our Company, our Promoters, member belong to the Promoter Group, our Group Companies/ Entities, our Directors and the companies with which our Promoters & Directors are associated as directors or promoters or persons in control of any other company have not been declared as **‘Fugitive Economic Offender’** as on the date of filing this Draft Prospectus.
- b) Our Company is in compliance with the following conditions specified in **Regulation 230** of the SEBI Regulations, 2018 to the extent applicable.
- 1) The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME Platform of BSE. BSE is the Designated Stock Exchange;
  - 2) Our Company has entered into an agreement with NSDL and CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
  - 3) The Equity Shares of our Company are fully paid and there are no partly paid-up Equity Shares as on the date of filing this Draft Prospectus;
  - 4) The entire Equity Shares held by our Promoters will be in dematerialized form before opening of the Issue for subscription.
  - 5) The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Issue” on page no. 75 of this Draft Prospectus;
  - 6) The amount dedicated for general corporate purposes, as mentioned in **“Objects of the Issue”** on page no. 75 of this Draft Prospectus, does not exceeding twenty-five per cent (25%) of the amount being raised by the Issuer.

**We confirm that in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:**

- a) In accordance with **Regulation 246** the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of 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.
- b) In accordance with **Regulation 260(1) and 260(2)** of the SEBI (ICDR) Regulations, the issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten **100.00 %** of the Total Issue Size. For further details pertaining to said underwriting please refer to paragraph titled **‘Underwriting Agreement’** under chapter titled **‘General Information’** on page no. 54 of this Draft Prospectus.
- c) In accordance with **Regulation 261** of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in the Issue. For further details of the arrangement of market making please refer to paragraph titled **‘Details of the Market Making Arrangement for the Issue’** under chapter titled **‘General Information’** on page no. 54 of this Draft Prospectus.

- d) In accordance with **Regulation 268(1)** of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the Issue is not less than fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 8 (Eight) 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 8 (Eight) days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013. 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.

We further confirm that, we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS /PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS /PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. 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 PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 09, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE DUE DILIGENCE CERTIFICATE FURNISHED WITH SEBI BY THE LEAD MANAGER IS REPRODUCED BELOW:**

**"WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIAL WHILE FINALISING THE DRAFT PROSPECTUS OF THE SUBJECT ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - a) THE PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

- b) ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELLINFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3) BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE ALSO REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE.
- 5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
- 6) ALL APPLICABLE PROVISIONS OF THESE REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
- 7) ALL APPLICABLE PROVISIONS OF THESE REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD.

WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE- NOT APPLICABLE AS THE PROMOTERS CONTRIBUTION HAS ALREADY BEEN DEPLOYED.

- 8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION- NOTED FOR COMPLIANCE- AS PER TRI-PARTITE AGREEMENT WITH BANKERS TO THE ISSUE.
- 9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE



ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION.

- 10) IN CASE OF A RIGHTS ISSUE DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT INVESTORS SHALL BE GIVEN AN OPTION TO RECEIVE THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.
- 11) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT OFFER DOCUMENT/ DRAFT LETTER OF OFFER:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THEISSUER – NOTED
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALLDISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD - NOTED
- 12) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE
- 13) IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INSTITUTIONAL TRADING PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THESE REGULATIONS - NOT APPLICABLE.
- 14) WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS – NOTED FOR COMPLIANCE.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THESE REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY – NOTED FOR COMPLIANCE.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- 1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- 2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THIS DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. - NOTED FOR COMPLIANCE
- 3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. – NOTED FOR COMPLIANCE

- 4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. – NOTED FOR COMPLIANCE
- 5) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, HAVE BEEN MADE.
- 6) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PERCENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE OFFER DOCUMENT WITH REGISTRAR OF COMPANIES. – NOTED FOR COMPLIANCE

**NOTE:**

The Filing Of The Draft Prospectus Does Not, However, Absolve The Issuer From Any Liabilities Under The Companies Act, 2013 or From The Requirement of Obtaining Such Statutory or Other Clearances As May Be Required For The Purpose Of The Proposed Issue. SEBI Further Reserves The Right To Take Up At Any Point Of Time, With The Lead Merchant Banker, Any Irregularities Or Lapses In This Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

“As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter Ref.: [●] dated [●] 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 this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated December 06, 2022 and the Underwriting Agreement dated [●] entered into between the Underwriter and our Company and the Market Making Agreement dated [●] entered into among the Lead Manager, the Market Maker and our Company.

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

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business,

and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

## **DISCLAIMER IN RESPECT OF JURISDICTION**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under 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 Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company, this Draft Prospectus does not, however, constitute an invitation to purchase 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, 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, except that this Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, 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.

## **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 Regulation S of 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 (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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.

## TRACK RECORDS OF PAST ISSUES HANDLED BY FIRST OVERSEAS CAPITAL LIMITED

For details regarding the track record of the First Overseas Capital Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of First Overseas Capital Limited at [www.focl.in](http://www.focl.in)

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

### Annexure A

#### Disclosure of Price Information of Past Issues Handled By Merchant Banker(s)

TABLE 1

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1)	Party Cruisers Limited	7.75	51.00	05-03-2021	54	-0.67(-0.01)	-0.65(+0.04)	+0.72(+0.13)
2)	BEW Engineering Limited	3.97	58.00	16-09-2021	127.60	+3.18(+0.03)	+7.19(-0.02)	-4.20 (-0.6)
3)	Nidan Healthcare & Laboratories Limited	50.00	125.00	12-11-2021	106.35	-0.51(-0.03)	-0.60(-0.02)	-0.68(-0.10)
4)	Precision Metaliks Limited	21.93	51.00	01-02-2022	75.00	-0.37(-0.06)	-0.45 (-0.03)	-0.61(-0.02)
5)	Vaidya Sane Ayurved Laboratories Limited	20.22	73.00	23-02-2022	102.00	+0.78(+0.01)	+0.66 (-0.06)	+0.31(+0.03)

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
6)	Nanavati Ventures Limited	2.19	50.00	06-05-2022	50.00	-0.21(0.02)	-0.34(+0.02)	-0.36(+0.11)
7)	Veerkrupa Jewellers Limited	8.10	27.00	18-07-2022	27.00	+1.98(0.09)	+1.71(0.07)	N.A.
8)	Ishan International Limited	18.24	80.00	22-09-2022	82.00	-0.41(+0.003)	N.A.	N.A.
9)	Varanium Cloud Limited	36.60	122.00	27-09-2022	131.00	+0.93(0.04)	N.A.	N.A.
10)	QMS Medical Allied Services Limited	56.87	121.00	11-10-2022	128.00	+0.52(0.06)	N.A.	N.A.

**Note:-**

1. The BSE Sensex and Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. Of IPOs	Total amount of funds raised (Rs. 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%
2022-23 *	5	121.99	-	2	-	3	-	-	-	1	-	-	-	-
2021-22	4	96.13	-	1	1	2	-	-	1	1	-	2	-	-
2020-21	1	7.75	1	0	0	0	0	0	1	0	0	0	0	0
2019-20	3	17.39	0	0	1	0	0	2	1	0	1	0	0	1

\* Upto date of this Draft Prospectus

## FILING

This Draft Prospectus is being filed with BSE Limited located at Dalal Street, Mumbai – 400 001, Maharashtra, India. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the Prospectus shall be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India.

## LISTING

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE.

BSE 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 SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, 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 SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the 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 Subject to applicable law.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **CONSENTS**

We have obtained consents in writing of our Directors, Promoters, Company Secretary & Compliance Officer, the Lead Manager, Registrar to the Issue, Peer Review Auditor to the Company, the Statutory Auditor, the Legal Advisor to the Issue, the Legal Advisor to the Company and Banker(s) to the Company, Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the RoC as required Section 26 of the Companies Act, 2013. Further, such consents and report will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, M/s R.K. Chapawat & Co, Chartered Accountants, our Peer Review Auditors have agreed to provide their respective written consents for inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consents and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

## **EXPERT OPINION TO THE ISSUE**

Except for the reports in the section titled “Financial Statements” and “Statement of Tax Benefits” on page no. 163 and 82 respectively of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **ISSUE RELATED EXPENSES**

The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, see the chapter “Objects of the Issue” beginning on page no. 75 of the Draft Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Market Maker(s)**

The fees payable to the Market Maker(s) to the Issue will be as per the Agreement dated [●] between our Company, Lead Manager and Market Maker, a copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement dated November 01, 2022 executed between our Company and the Registrar to the Issue, a copy of which is available for inspection at our 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 by our Company to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters, if any.

### **Underwriting Commission, Brokerage and Selling Commission**

The underwriting and selling commission for the Issue is as set out in the Underwriting Agreement dated [●] between our Company, the Lead Manager/Underwriter and Market Maker, a copy of which is available for inspection at our Registered Office. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable laws.

### **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five years and are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled '*Capital Structure*' beginning on page 64 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **COMMISSION AND/ OR BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since inception.

### **PREVIOUS CAPITAL ISSUE DURING THE LAST THREE YEARS BY LISTED GROUP COMPANIES AND SUBSIDIARY OF OUR COMPANY**

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years. Except Nidan Laboratories And Healthcare Limited.

### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing this Draft Prospectus with the BSE.

### **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES**

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds, or redeemable preference shares.

### **PARTLY PAID-UP SHARES**

As on the date of this Draft 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 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, 2018, and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the "Our Management" on page no. 135.

As on the date of this Draft Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

Our Company has appointed CS Nupur Mohit Agrawal as the Company Secretary and Compliance Officer and he may be contacted at the following address:

**Name** : **MS. NUPUR MOHIT AGRAWAL**  
**Address** : Swapnshilp Bunglow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar-401303, Maharashtra, India  
**Tel No.** : +91 9619835323  
**Email Id** : [cs@santrica.com](mailto:cs@santrica.com)  
**Website** : [www.santrica.com](http://www.santrica.com)

Investors can contact the Company Secretary and 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 Equity Shares in the respective beneficiary account or refund orders, *etc.*

As on the date of this Draft Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

Our Company, Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

We do not have any Group Companies or Subsidiaries, hence listing of them on any stock exchange is not applicable.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

#### **CAPITALIZATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled '*Capital Structure*' beginning on page no. 64 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## SECTION XII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("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 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this 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 Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on August 30, 2022 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on September 30, 2022 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 264 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to 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 dividend, in cash as per the provisions of the Companies Act and our Articles of Association. For further details, please refer to the chapter titled "**Dividend Policy**" on page no. 162 of this Draft Prospectus.

## Face Value and Issue Price per Share

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. 125.00 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled '**Basis for Issue Price**' beginning on page no. 80 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

## Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. 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:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing regulations with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 264 of this Draft Prospectus.

## Minimum Application Value, Market Lot and Trading Lot

As per Section 29 of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 1,000 equity shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 1,000 equity share subject to a minimum Allotment of 1,000 equity shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and Allotment of Equity Shares through the Issue will be done in multiples of 1,000 equity shares subject to a minimum Allotment of 1,000 equity shares to the successful applicants.

## Minimum Number of Allottee's

The minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

## Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

**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.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 28, 2022 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated February 23, 2022 amongst CDSL, our Company and the Registrar to the Offer.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. No provision in the bid-cum-application form to provide this. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale 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 our Registered Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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 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 will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

### **Issue Program:**

<b>Issue Opening Date</b>	: [●]
<b>Issue Closing Date</b>	: [●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	: [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	: [●]
<b>Credit of Equity Shares to demat accounts of Allottee's</b>	: [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	: [●]

The above timetable is indicative and does not constitute any obligation on our Company or the 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 6 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.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100 % underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of fifteen per cent per annum. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue shall be 100 % underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information – Underwriting” on page no. 54 of this Draft 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**

BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of BSE Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above Rs. 25 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 promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of the company is more than Rs. 10 Crores but below Rs. 25 Crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor 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 issued and transferred through this Offer are proposed to be listed on the SME Platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to paragraph titled 'Details of the Market Making Arrangement for the Issue' under chapter titled '**General Information**' beginning on page no. 54 of this Draft Prospectus.

#### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 1,000 shares. 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 BSE.

#### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

#### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through the Issue.

#### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs 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.

#### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-issue Equity Shares and Promoters' minimum contribution in the issue as detailed in the chapter '**Capital Structure**' beginning on page 64 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details please refer to the section titled '**Main Provisions of the Articles of Association**' beginning on page no. 264 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

The Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, and amendments thereto, since our post-issue paid up capital which is less than Rs. 10.00 Crores, 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 SME Platform of BSE). For further details regarding the salient features and terms of the Issue please refer chapters titled ‘*Terms of the Issue*’ and ‘*Issue Procedure*’ on page no. 227 and 235 of this Draft Prospectus.

### Following is the Issue Structure:

Initial Public Issue of 32,00,000 Equity Shares of Face Value of Rs. 10/- Each (“Equity Shares”) of San Trica Realtors Limited (“Our Company” or “The Issuer Company”) for Cash at a Price Rs. 125/- Per Equity Share (Including A Share Premium of Rs. 115/- Per Equity Share) (“Issue Price”) aggregating to Rs. 4000.00 Lakhs (“The Issue”), out of Which 1,60,000 Equity Shares of Face Value of Rs. 10/- Each for a Cash Price of Rs. 125/- Per Equity Share, aggregating to Rs. 200.00 Lakhs will be Reserved for Subscription by Market Maker (“Market Maker Reservation Portion”). The Issue Less the Market Maker Reservation Portion i.e. Issue of 30,40,000 Equity Shares of Face Value Of Rs. 10/- Each at a Issue Price of Rs. 125/- per Equity Share aggregating to Rs. 3800.00 Lakhs (Is hereinafter Referred to as the “Net Issue”). The Issue and the Net Issue will constitute 32.75 % and 31.11 %, respectively of the Post Issue Paid Up Equity Share Capital of Our Company.

*The Issue is being made through the Fixed Price Process:*

Particulars	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares*</b>	32,00,000 Equity Shares	1,60,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	95.00 % of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors)	5.00 % of the Issue Size
<b>Basis of Allotment/Allocation of respective category if oversubscribed</b>	Proportionate subject to minimum Allotment of 1,000 equity shares and further Allotment in multiples of 1,000 equity shares each.  For further details please refer to the paragraph titled ‘ <i>Issue Procedure-Basis of Allotment</i> ’ on page no. 235 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA)	
<b>Minimum Application Size</b>	<u>For QIB and NII:</u> Such number of Equity Shares in multiples of 1,000 equity shares at an Issue Price of Rs. 125 each such that the Application Value exceeds Rs. 2,00,000  <u>For Retail Individuals:</u> 1,000 equity shares at an Issue Price of Rs. 125 each	1,60,000 EQUITY Shares at an Issue Price of Rs. 125 each
<b>Maximum Application Size</b>	<u>For QIB and NII:</u> The maximum application size is the Net Issue to public, i.e., 30,40,000 subject to limits the investor has to adhere under the relevant laws and regulations as applicable.	1,60,000 EQUITY Shares at an Issue Price of Rs. 125 each



Particulars	Net Issue to Public*	Market Maker Reservation Portion
	<i>For Retail Individuals:</i> Such number of Equity Shares in multiples of 1,000 equity shares at an Issue Price of Rs. 125	
<b>Mode of Allotment</b>	Compulsorily in dematerialized form	Compulsorily in dematerialized form
<b>Trading Lot</b>	1,000 equity shares	1,000 equity shares; the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the Allocation' is the net issue to the public category shall be made as follows:

- a. Minimum fifty percent (50%) To Retail Individual Investors; and
- b. Remaining to:
  - o Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

**Note:**

In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.

Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.

SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Withdrawal of the Issue**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, 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 Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

**Issue Program:**

<b>Issue Opening Date</b>	: [●]
<b>Issue Closing Date</b>	: [●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	: [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds</b>	: [●]
<b>Credit of Equity Shares to demat accounts of Allottee's</b>	: [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	: [●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of applications on the issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- 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 Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to Designated Stock Exchange within half an hour of such closure.

It is clarified that Applications not uploaded on the electronic system would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

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

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus.*

*The lists 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 Stockbroker, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that has been notified by BSE act as intermediaries for submitting Application Forms are provided on <https://www.BSEindia.com>.*

SEBI through its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 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 along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIIs (“UPI Phase III”) and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification

or notification issued by the SEBI from time to time. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, have introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent already in force, are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to Rs. 5.00 lakhs shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). For details, please refer to “Interest In Case Of Delay In Allotment or Refund” on page 235 of this Draft Prospectus.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

#### ***Phased implementation of Unified Payments Interface***

SEBI has issued a ***UPI Circulars*** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Subsequently, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **FIXED PRICE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications 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 the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.**

## **Application Form**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.BSEindia.com](http://www.BSEindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Retail Individual Investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

The prescribed color of the Application Form for various investors applying in the Issue is as follows:

Category	Color *
Resident Indians and Eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

\* Excluding electronic Application Form

RIIs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries")

- (i) an SCSB, with whom the bank account to be blocked, is maintained.
- (ii) a syndicate member (or sub-syndicate member),
- (iii) 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"),
- (iv) a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),
- (v) a registrar to an issue and share transfer agent ('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),

Retail 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 application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSBs:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking the funds available in the bank account linked bank account details specified in the form, to the extent of the application money specified.
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For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to the designated branches of the respective SCSBs for blocking of the funds within one day of the closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant details, including UPI ID, in the electronic system of stock exchange(s).</p> <p>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.</p> <p>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.</p>

Stock exchange(s) shall validate the electronic 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(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

#### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e., [www.BSEindia.com](http://www.BSEindia.com).

#### **WHO CAN APPLY?**

- 1) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- 2) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;

- 3) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- 4) Mutual Funds registered with SEBI;
- 5) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- 6) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- 7) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- 8) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- 9) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional applicant's category;
- 10) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- 11) Foreign Venture Capital Investors registered with the SEBI;
- 12) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- 13) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- 14) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- 15) Provident Funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 16) Pension Funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 17) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- 18) Insurance funds set up and managed by army, navy or air force of the Union of India and Department of Posts, India;
- 19) Multilateral and bilateral development financial institution;
- 20) Eligible QFIs;
- 21) Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
- 22) Multilateral and bilateral development financial institutions;
- 23) State Industrial Development Corporations;
- 24) Nominated Investor and Market Maker;
- 25) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.



Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. 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 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 to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

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.

#### MAXIMUM AND MINIMUM APPLICATION SIZE

##### *a) For Retail Individual Applicants*

The Application must be for a minimum of 1,000 Equity Shares and in multiples of 1,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed Rs. 2,00,000.

##### *b) For Other Applicants (Non-Institutional Applicants and QIBs):*

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 1,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

#### BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 1,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 1,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 1,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 1,000 equity shares subject to a minimum allotment of 1,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1,000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
- 6) Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) Minimum fifty percent (50%) To Retail Individual Investors; and
  - b) Remaining to:
    - o Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*Explanation: If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/ -. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

## **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

Except for the Underwriting and Market Making Obligations, the Lead Manager, Underwriters and Market Maker, if any shall not be allowed to subscribe to the Issue in any manner. However, associates and affiliates of the Lead Manager and Syndicate Members, if any, may subscribe to or purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- (a) As per Section 29 (1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form.
- (b) The Equity Shares, on Allotment, shall be traded on stock exchange in demat segment only.
- (c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines and applicable laws.

## **INFORMATION FOR THE APPLICANTS**

- 1) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- 2) Our Company shall, after registering the Prospectus with the RoC, make a pre-issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement shall be in the prescribed format as per ICDR Regulations.
- 3) Copies of the Application Form and the abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange.
- 4) Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
- 5) Applicants who are interested in subscribing for the Equity Shares should approach the Designated Intermediaries to register their applications.
- 6) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- 7) The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained or UPI ID linked account is maintained in case of retail individual investor, 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 or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
- 8) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained or UPI ID linked account is maintained in case of retail individual investor. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
- 9) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account or UPI linked account number is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
- 10) The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not

match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Applicants are advised to ensure that any single Application form 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 the Prospectus.**

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

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 case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

#### **APPLICATIONS BY ELIGIBLE NRIS/FII'S/RFPI'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the deftion in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Issue of shares for Allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

#### **APPLICATION BY FPIS (INCLUDING FIIS)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not reregistered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations 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 Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability partnerships can participate in the Issue only through ASBA process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) *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;
- (b) *the entire group of the investee company*: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) *The industry sector in which the investee company operates*: not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves.

A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **APPLICATIONS BY SCSBS**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **APPLICATIONS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

## **APPLICATION BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in the Prospectus.

## **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

## **METHOD AND PROCESS OF APPLICATIONS**

- 1) Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
- 2) The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
- 3) During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- 4) The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
- 5) The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB with using UPI for payment	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the



SCSBs without use of UPI for payment	respective SCSBs for blocking of funds within one day of closure of the Issue.
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- 6) The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
- 7) Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
- 8) If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
- 9) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
- 10) The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **TERMS OF PAYMENT**

The entire Issue price of Rs. 125 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM FOR APPLICANTS**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual

Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, may use UPI. Pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

## **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

### ***Who can apply through UPI mode?***

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **Process**

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

### **Blocking Of Funds:**

- a) Investors shall create UPI ID.
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form.
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange.
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission.
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds.
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds.

### **Unblocking Of Funds:**

- a) After the offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public offer escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the offer period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

## Rejection Grounds Under UPI Payment Mechanism

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### List of Banks Providing UPI Facility

- a. An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.
- b. A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:
- c. Home >> Intermediaries/Market Infrastructure Institutions >>Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI
- d. Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.
- e. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 500,000, may use UPI.

### Electronic Registration of Applications

- 1) The Designated Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Designated Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Offer Closing Date.
- 3) The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Designated Intermediaries or (iii) the applications accepted but not uploaded by the Designated Intermediaries.
- 5) The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of the Designated Intermediaries and their authorised agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details *
1)	Symbol

<b>Sr. No.</b>	<b>Details *</b>
2)	Intermediary Code
3)	Location Code
4)	Application No.
5)	Category
6)	PAN
7)	DP ID
8)	Client ID
9)	Quantity
10)	Amount

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

- 7) With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number (of First Applicant, if more than one Applicant);
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Offer or Designated Branch, as applicable and bank code of the SCSB branch where the ASBA Account is maintained;
  - Bank Account Number and
  - Such other information as may be required.
- 8) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 9) 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 or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting 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) The Designated Intermediaries shall have no right to reject the applications, except on technical grounds except as mentioned in the Draft Prospectus.
- 12) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or 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 Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 13) The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available

with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

- 14) The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
- 15) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

### **Allocation of Equity Shares**

- 1) The Offer is being made through the Fixed Price Process wherein 1,60,000 Equity Shares shall be reserved for the Market Maker and 30,40,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Offer Price. The balance of the Net Offer will be available for allocation on a proportionate basis to Non Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **OTHER INSTRUCTIONS**

#### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

- iv) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants’ verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

### **Option To Receive Equity Shares In Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottee’s shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

### **Signing Of Underwriting Agreement**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●].

### **Filing Of he Prospectus With The RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to 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 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **GENERAL INSTRUCTIONS**

#### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

**RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

**GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:



- Amount paid does not tally with the amount payable for the highest value of 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- December not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1,600;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant 's identity (DP ID) and the beneficiary 's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchange, along with the Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e., [www.BSEindia.com](http://www.BSEindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. [www.BSEindia.com](http://www.BSEindia.com).

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN No's, UPI ID (if applicable), Client ID and DP ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Applications and Application Moneys and Interest In Case Of Delay**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment shall be made within three (3) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- 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.

### **Impersonation**

*Attention of the applicants is also 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 of the Companies Act, 2013 and shall be treated as Fraud.”*

### **Completion of formalities for Listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### **Mode of Refund**

- a) In case of ASBA Applicants: Within 6 (six) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Mode of Making Refund for ASBA Applicants**

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

#### ***Mode of making refunds for Applicants other than ASBA Applicants***

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The Issuer shall make the Allotment within the period prescribed by SEBI. 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 applicant shall be compensated in accordance with applicable law, i.e. the applicant shall be compensated at a uniform rate of Rs. 100.00 per day for the entire duration of delay exceeding Four (4) working days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 working days from Issue Closing date;
- 3) That our Promoter 's contribution in full has already been brought in;
- 4) 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;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) That no further issue of equity shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
- 7) That the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non - resident Indians shall be completed within specified time;
- 8) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 9) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 10) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer; and
- 11) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 12) That none of the promoters or directors of the company is wilful defaulter or a fraudulent borrower under Section 5(c) of SEBI (ICDR) Regulations, 2018.

## **UTILIZATION OF ISSUE PROCEEDS**

Our Board of Directors 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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of SEBI(LODR) Regulations,2015 as amended from time to time in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and

5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Lead manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar to the Issue:

- (a) Agreement dated February 23, 2022 between CDSL, the Company and the Registrar to the Issue;
- (b) Agreement dated February 28, 2022 between NSDL, the Company and the Registrar to the Issue;
- (c) The Company's shares bear an ISIN: INE0KTV01015.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

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 FDI 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.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non- Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non- Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION – XIII

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

#### THE COMPANIES ACT, 2013

#### COMPANY LIMITED BY SHARES

#### \*ARTICLES OF ASSOCIATION

#### OF

#### SAN TRICA REALTORS LIMITED

1. Table F not to apply

The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles.

2. Interpretation

In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or content thereof.

(a) “The Act” or “the said Act”

“The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

(b) “These Articles”

“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

(c) “Beneficial Owner”

“Beneficial Owner” shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

(d) “The Company” or “this Company”

“The Company” or “this Company” means **SAN TRICA REALTORS LIMITED**

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*\*New set of Articles of Association were adopted, pursuant to conversion of Company from Private Limited to Public Limited vide resolution passed in Extra Ordinary General Meeting of members of the company held on 24<sup>th</sup> December, 2021.*



- (e) “The Directors”  
“The Directors” means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
- (f) “Depository”  
“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.
- (g) “Depositories Act 1996”  
“Depositories Act 1996” includes any statutory modification or re-enactment thereof.
- (h) “The Board” or the “Board of Directors”  
“The Board,” or the “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.
- (i) “The Chairman”  
“The Chairman” means the Chairman of the Board of Directors for the time being of the Company.
- (j) “The Managing Director”  
“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.
- (k) “The Office”  
“The Office” means the Registered Office for the time being of the Company.
- (l) “Capital”  
“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- (m) “The Registrar”  
“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- (n) “Dividend”  
“Dividend” includes Bonus.
- (o) “Month”  
“Month” means the calendar month.
- (p) “Seal”  
“Seal” means the Common Seal for the time being of the Company.
- (q) “In Writing and Written”  
“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

- (r) “Plural Number”

Words importing the singular number also include the plural number and vice versa.

- (s) “Persons”

“Persons” include corporations and firms as well as individuals.

- (t) “Gender”

Words importing the masculine gender also include the feminine gender.

- (u) “Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

- (v) “Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

### **Expression in the Act to bear same meaning in the Articles**

Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

### **Marginal Notes**

The marginal notes hereto shall not affect the construction of these Articles.

### **COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:
- (i) The Memorandum;
  - (ii) The Articles, if any;
  - (iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

### **CAPITAL AND SHARES**

4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.
5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
6. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

### **SHARES AT THE DISPOSAL OF THE DIRECTORS**

7. Subject to the provisions of Section 62 of the Act and these Articles, the shares capital of Company for

the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, In proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up share and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

### **FURTHER ISSUE OF SHARES**

8. (1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
- (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: -
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by central government; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

### **POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES**

9. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.
- The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

#### **REDEEMABLE PREFERENCE SHARES**

10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

#### **PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES**

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

#### **NEW CAPITAL SAME AS ORIGINAL CAPITAL**

12. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

#### **RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES**

13. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is affected in accordance with provisions of the Companies Act, 2013 or other applicable

provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to –

- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government, for the purchase of, or subscription for, fully paid-up shares in the company or its holding company, if the purchase of, or the subscription or, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
- (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.

#### **REDUCTION OF CAPITAL**

14. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

#### **CONSOLIDATION AND DIVISION OF CAPITAL**

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### **SALE OF FRACTIONAL SHARES**

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the

Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and 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 with reference to the sale.

#### **MODIFICATION OF RIGHTS**

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of atleast three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

#### **ISSUE OF FURTHER SHARES ON PARI PASSU BASIS**

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### **NO ISSUE WITH DISPROPORTIONATE RIGHTS**

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

#### **POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE**

- (a) “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

#### **DEMATERIALIZATION OF SECURITIES**

- (b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

#### **INTIMATION TO DEPOSITORY**

- (c) “Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

#### **OPTION FOR INVESTORS**

- (d) “Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

#### **THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER**

- (e) “The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

#### **SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS**

- (f) “All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.”

#### **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

#### **DEPOSITORY TO FURNISH INFORMATION**

- (h) 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 and the Company in that behalf.

#### **SHARES AND CERTIFICATES REGISTER AND INDEX OF MEMBERS**

20. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

#### **SHARES TO BE NUMBERED PROGRESSIVELY**

21. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

#### **DIRECTORS MAY ALLOT SHARES FULLY PAID-UP**

22. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid-up shares.

#### **APPLICATION OF PREMIUM RECEIVED ON SHARES**

23.

- 1) Where a company issue shares at a premium, whether for cash or otherwise, a sum equal to aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.
- 2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company –
  - (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
  - (b) in writing off the preliminary expenses of the company;
  - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
  - (d) in providing for the premium payable on the redemption of any redeemable preference
  - (e) shares or of any debentures of the company; or
  - (f) for the purchase of its own shares or other securities under section 68.

#### **ACCEPTANCE OF SHARES**

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

#### **LIABILITY OF MEMBERS**

25. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company’s regulations require or fix for the payment thereof.

#### **LIMITATION OF TIME FOR ISSUE OF CERTIFICATE**

26. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

#### **ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

27. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof



for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED**

28. A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.

The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

#### **JOINT ALLOTTEES OF HOLDERS**

29. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

30. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.
- (ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### **WHO MAY HOLD SHARES**

31. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.
32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust

as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

### **SWEAT EQUITY**

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

### **DECLARATIONSIN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES**

- 34.
- (1) In pursuance of section 89 of the act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
  - (2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)
  - (3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)
  - (4) The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.
  - (5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by central government, within the time specified under section 403.
  - (6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.
  - (7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

### **FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

### **ISSUE OF SHARES WITHOUT VOTING RIGHTS**

36. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

## **SECTIONS 45 OF ACT NOT TO APPLY**

37. Notwithstanding anything to the contrary contained in the Articles,
- (i) Section 45 of the Act shall not apply to the Shares held with a Depository;

## **TRUST RECOGNIZED**

38. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

## **REGISTRATION OF CHARGES**

39. The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

## **UNDERWRITING AND BROKERAGE**

### **COMMISSION MAY BE PAID**

40. A company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely: -
- (a) The payment of such commission shall be authorized in the company's articles of association;
- (b) The commission may be paid out of proceeds of the issue or the profit of the company or both;
- (c) The rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued or a rate authorised by the articles, whichever is less, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued, or as specified in the company's articles, whichever is less;

(d) The Draft Prospectus of the company shall disclose—

- (i) The name of the underwriters;
- (ii) The rate and amount of the commission payable to the underwriter; and
- (iii) The number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally.

(e) There shall not be paid commission to any underwriter on securities which are not offered to the public for subscription;

(f) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the Draft Prospectus for registration.

#### **BROKERAGE MAY BE PAID**

41. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

#### **CALLS ON SHARES**

##### **DIRECTORS MAY MAKE CALLS**

42. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (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 a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by instalments.

##### **CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

43. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

#### **NOTICE OF CALLS**

44. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

#### **CALLS TO DATE FROM RESOLUTION**

45. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

#### **DIRECTORS MAY EXTEND TIME**

46. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

#### **CALL TO CARRY INTEREST AFTER DUE DATE**

47. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

### **PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES**

48. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

### **PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

### **FORFEITURE, SURRENDER AND LIEN**

#### **IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

50. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### **FORM OF NOTICE**

51. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

#### **IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED**

52. 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 all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

### **NOTICE OF FORFEITURE**

53. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### **FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

54. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

#### **POWER TO ANNUL FORFEITURE**

55. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### **ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

56. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### **EFFECT OF FORFEITURE**

57. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### **PROCEEDS HOW TO BE APPLIED**

58. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### **DECLARATION OF FORFEITURE**

59. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.
- (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- (e) Such purchaser or allottee 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 the irregularity or invalidity in the proceedings

in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

60. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### **TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES**

61. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee 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 with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

62. 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 any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### **THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM**

63. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **BOARD MAY ACCEPT SURRENDER OF SHARES**

64. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### **COMPANY'S LIEN ON SHARE/DEBENTURES**

65. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

#### **ENFORCING LIEN BY SALE**

66. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him

or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

#### **APPLICATION OF PROCEEDS OF SALE**

67. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### **VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE**

68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES**

69. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### **SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL**

70. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

#### **TRANSFER AND TRANSMISSION OF SHARES**

##### **REGISTER OF TRANSFER**

71. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

##### **EXECUTION OF TRANSFER**

72. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor 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 certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

##### **INSTRUMENT OF TRANSFER**

73. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

##### **FORM OF TRANSFER**



74. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

#### **NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC**

75. No transfer shall be made to a minor or a person of unsound mind.

#### **TRANSFER OF SHARES**

- 76.
- (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
  - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
  - (iii) For the purpose of clause (2) hereof 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 instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

77. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

#### **NO FEE ON TRANSFER OR TRANSMISSION**

78. 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.

#### **TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN**

79. Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

#### **WHEN TRANSFER TO BE RETAINED**

80. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

## **DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES**

81. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

### **TITLE TO SHARES OF DECEASED HOLDER**

82. Subject to Article 81 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

## **REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER**

83. Subject to the provisions of Article 90 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative 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.

### **CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE**

84. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

### **TRANSMISSION OF SHARE**

85. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

### **BOARD MAY REFUSE TO TRANSMIT**

86. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

### **BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION**

87. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

### **TRANSFER BY LEGAL REPRESENTATION**

88. A transfer of a share in the Company of a deceased member thereof made by his legal representative 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 instrument of transfer.

### **CERTIFICATE OF TRANSFER**

89. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

### **THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING**

### **REGISTRATION OF TRANSFER**

90. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### **NOMINATION**

- 91.
- (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by central government under the Act.
  - (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by central government under the act.
  - (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined

by central government under the Act.

- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### **“Option of Nominee”**

92.

- (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.  
If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.
- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### **TRUST NOT RECOGNISED**

93. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### **TRANSFER OF SECURITIES**

94. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### **NOTICE OF APPLICATION WHEN TO BE GIVEN**

95. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

#### **REFUSAL TO REGISTER NOMINEE**

96. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

## **PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

97. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

## **BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS**

98. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

## **JOINT HOLDERS**

99. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

## **JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES**

- (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

## **TITLE OF SURVIVORS**

- (b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

## **EFFECTUAL RECEIPTS**

- (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

## **DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER**

- (d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 29 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

## **VOTES OF JOINT HOLDERS**

- (e) Any one or 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 than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally 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 an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name

any shares stand shall for the purpose of this Article, be deemed joint holders.

## **CONVERSION OF SHARES INTO STOCK**

### **SHARES MAY BE CONVERTED INTO STOCK**

100. The Board may, pursuant to section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

### **RIGHTS OF STOCK-HOLDERS**

101. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid-up shares of any denomination.

### **MEETING OF MEMBERS**

102. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.
- (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any 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 or town or village in which the Registered Office of the Company is situated.
103. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

### **DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERALMEETING**

104. The General Meeting referred to in Article 99 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

### **CALLING OF EXTRA-ORDINARY GENERAL MEETING**

- 105.

- (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
- (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

#### **LENGTH OF NOTICE FOR CALLING MEETING**

106.

- (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by central government:

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.

- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the company shall be given to –
  - a. every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - b. the auditor or auditors of the company; and
  - c. every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS**

107.

- (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -
  - (a) the nature of concern or interest, financial or otherwise, if any, in respect of each item of—
    - every director and the manager, if any;
    - every other key managerial personnel; and

- relatives of the persons mentioned in sub-clauses (i) and (ii);
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- (2) For the purposes of clause (1), —
- (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
- (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
  - (ii) the declaration of any dividend;
  - (iii) the appointment of directors in place of those retiring;
  - (iv) the appointment of, and the fixing of the remuneration of, the auditors; And
- (b) in the case of any other meeting, all business shall be deemed to be special:
- Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent. of the paid-up share capital of that company, also be set out in the statement.
- (3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub- clause (1).

108. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

### **QUORUM**

109.

- (1) The quorum for a General Meeting of the Company shall be as under:
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
  - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
  - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.
- (2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –
- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
  - (b) the meeting, if called by requisitionists under section 100, shall stand cancelled:  
Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.
- (3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

### **RESOLUTION PASSED AT ADJOURNED MEETING**

110. Where a resolution is passed at an adjourned meeting of –



- (a) a company; or
- (b) the holders of any class of shares in a company; or
- (c) the Board of Directors of a 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.

#### **REGISTRATION OF RESOLUTIONS AND AGREEMENTS**

111. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

#### **POWER OF ADJOURN GENERAL MEETING**

- 112.
- (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - (2) 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.
  - (3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

#### **CHAIRMAN OF GENERAL MEETING**

113. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person if elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

#### **BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT**

114. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

#### **RESOLUTION MUST BE PROPOSED AND SECONDED**

115. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

#### **POSTAL BALLOT**

- 116.
- (1) Notwithstanding anything contained in this Act, the company –
    - (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
    - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of

transacting such business at a general meeting.

- (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

#### **DECLARATION OF CHAIRMAN TO BE CONCLUSIVE**

117. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportions of the votes cast in favour of or against such resolution.

#### **CIRCULATION OF MEMBERS' RESOLUTION**

118. (1) A company shall, on requisition in writing of such number of members, as required in section 100, —
- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
  - (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless —
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company, —
    - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
    - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
  - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:

Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

- (3) The company shall not be bound to circulate any statement as required by clause(b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.
- (4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

#### **VOTES MAY BE GIVEN BY PROXY OR ATTORNEY**

119. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other

person or shareholder.

## **VOTES OF MEMBERS**

120.

- (1) Subject to the provisions of section 43 and sub-section (2) of section 50, -
- (a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and
  - (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.
- (2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

## **RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY**

121. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

## **REPRESENTATION OF BODY CORPORATE**

122. Pursuant to section 113 a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

## **REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS**

123. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

## **RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS**

124. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

## **RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID**

125. A member is not prohibited from exercising his voting right 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 Article 124.

#### **HOW MEMBER NON-COMPOS MENTIS MAY VOTE**

126. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty-eight hours before the time of holding a meeting.

#### **INSTRUMENT OF PROXY**

127. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an officer or attorney duly authorized by it.

#### **INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE**

128. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

#### **WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED**

129. 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 share in respect of which the vote 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 adjournment meeting at which the proxy is used.

#### **FORM OF PROXY**

130. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

#### **TIME FOR OBJECTION TO VOTE**

131. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### **CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE**

132. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### **MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF**

133. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

## **DIRECTORS**

134.

- 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.
- 2) As on the date of adoption of this Articles of Association, following are the directors of the company:
  - (a) **Edwin Francis Dabre**
  - (b) **Tejal Anil Jayakar**
  - (c) **Abhilasha Nitin Thorave**

## **BOARD OF DIRECTORS**

135. **The following shall be the First irectors of the Company.**

- (a) **Nitin Vitthalrao Thorve**
- (b) **Shailesh Kesari Patil**
- (c) **Ashutosh Madhukar Joshi**

## **INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

136. The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

## **POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS**

137. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

## **ALTERNATE DIRECTORS**

138. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:

Provided that 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 this Act:

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

## **NOMINEE DIRECTORS**

139. The Board shall have the power to appoint any person as a director nominated by any institution in Pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

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, in default of and subject to any

regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

140. A Director need not hold any qualification shares.

#### **REMUNERATION OF DIRECTORS**

141.

- (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.
  - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government:  
  
or
  - (ii) by way of commission if the Company by a special resolution authorises such payments.
- (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.
- (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

#### **INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

142. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

#### **TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS**

143. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on

the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

#### **DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY**

144. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles 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 for summoning a General Meeting of the Company but for no other purpose.

#### **DISCLOSURE OF INTEREST OF DIRECTORS**

- 145.
- (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in an company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.
  - (2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
    - a. with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
    - b. with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- (3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.
- (4) Nothing in this Article-
  - (b) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
  - (c) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

#### **INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS**

146. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

#### **BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR**

## **DIRECTOR IS INTERESTED**

147.

- 1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—
  - (i) for the sale, purchase or supply of any goods, materials or services; or
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;
- 2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- 3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))
- 4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.
- 5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

## **SPECIAL DIRECTOR**

148.

In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as



may special directors as the collaborators eligible to make the appointment.

### **DIRECTORS' SITTING FEES**

149. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by central government by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

### **DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY**

150. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189and 196 of the Act shall be duly observed and complied with.

### **DISQUALIFICATION OF THE DIRECTOR**

- 151.
- (1) A person shall not be eligible for appointment as a director of a company, if -
    - (a) he is of unsound mind and stands so declared by a competent court;
    - (b) he is an undischarged insolvent;
    - (c) he has applied to be adjudicated as an insolvent and his application is pending;
    - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:  
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
    - (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
    - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
    - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
    - (h) he has not complied with sub-section (3) of section 152.
  - (2) No person who is or has been a director of a company which –
    - (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
    - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

### **DIRECTORS VACATING OFFICE**

152. The office of a Director shall be vacated if:

- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
- (ii) he applied to be adjudicated an insolvent;
- (iii) he is adjudicated an insolvent;
- (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (v) he fails to pay any call-in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

#### **DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY**

153. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

#### **RETIREMENT AND ROTATION OF DIRECTORS**

##### **RETIREMENT OF DIRECTORS BY ROTATION**

154.

- (1)
  - (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -
    - (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
    - (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
  - (b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.

- (c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and a every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
- (d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

(2)

- (a) If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (b) If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless—
  - 1. at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
  - 2. the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
  - 3. he is not qualified or is disqualified for appointment;
  - 4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
  - 5. section 162 is applicable to the case.

#### **APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY**

155.

- 1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.
- 2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.
- 3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

156.

- (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

- (2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

### **RESIGNATION OF DIRECTOR**

157.

- 1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company:

Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by central government.

- 2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:

Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

- 3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

### **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR**

158. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

### **APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS**

159.

- a. The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b. Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

### **REMOVAL OF DIRECTORS**

160.

- 1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable

opportunity of being heard:

Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.

- 2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.
- 3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.
- 4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—
  - (a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and
  - (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company), and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:  
Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.
- 5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).
- 6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
- 7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:  
Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.
- 8) Nothing in this section shall be taken -
  - (a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - (b) as derogating from any power to remove a director under other provisions of this Act.

#### **ELIGIBILITY FOR RE-ELECTION**

161. A retiring Director shall be eligible for re-election.

#### **PROCEEDINGS OF DIRECTORS**

## **MEETINGS OF BOARD**

162.

- 1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

- 2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be determined by central government, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio-visual means.

- 3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

## **QUORUM**

163.

- 1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum under this sub-section.
- 2) 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 and for no other purpose.
- 3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.
- 4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday till the next succeeding day, which is not a national holiday, at the same time and place.

## **DECISION OF QUESTIONS**

164. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

## **BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN**

165. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

#### **POWER OF BOARD MEETING**

166. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
167. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

#### **MEETING OF THE COMMITTEE HOW TO BE GOVERNED**

168. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

#### **DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN**

169. No act done by a person as a director shall be deemed to be invalid notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:

Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

#### **PASSING OF RESOLUTION BY CIRCULATION**

- 170.
- 1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by central government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

- 2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **SPECIAL NOTICE**

171. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent. of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

### **GENERAL POWERS OF THE BOARD**

- 172.
- 1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:  
  
Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in general meeting:  
Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.
  - 2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

### **CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS**

173. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -
- (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorize buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;
  - (g) to approve financial statement and the Board's report;
  - (h) to diversify the business of the company;
  - (i) to approve amalgamation, merger or reconstruction;
  - (j) to take over a company or acquire a controlling or substantial stake in another company;
  - (k) to make political contributions;
  - (l) to appoint or remove key managerial personnel (KMP);
  - (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;



- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be. Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

### **RESTRICTIONS ON POWERS OF BOARD**

174.

- 1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: -
  - a. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
  - b. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
  - c. to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:  
Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise and with drawability by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.
  - d. to remit, or give time for the repayment of, any debt due from a director.
- 2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- 3) Nothing contained in clause (a) of sub-section (1) shall affect –
  - (a) the title of a buyer or other person who buys or takes on lease any property investment or undertaking as is referred to in that clause, in good faith; or
  - (b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.
- 4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

- 5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

### **POWER TO BORROW**

175. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
176. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

### **THE PAYMENT OR REPAYMENT OF MONEYS BORROWED**

177. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

### **BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS**

178. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

### **CONDITION ON WHICH MONEY MAY BE BORROWED**

179. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

### **TERMS OF ISSUE OF DEBENTURES**

180. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (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 a Special Resolution.

### **DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED**

- 181.

- 1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

- 2) No company shall issue any debentures carrying any voting rights.
- 3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.
- 4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.
- 5) No company shall issue a Draft Prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by central government.
- 6) A debenture trustee shall take steps to protect the interests of the debentureholders and redress their grievances in accordance with such rules as may be determined by central government.
- 7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three-fourths in value of the total debentures at a meeting held for the purpose.

- 8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
- 9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.
- 10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.
- 11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.
- 12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.
- 13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and

to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

#### **EXECUTION OF INDEMNITY**

182. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

#### **CERTAIN POWERS OF THE BOARD**

183. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charged.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.

- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the

general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of the Act and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.
- 23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### **APPOINTMENT OF INDEPENDENT DIRECTOR**

184. Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by central government by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act –

- (i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

## **KEY MANAGERIAL PERSONNEL**

### **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

185.

- 1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- 2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board:

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel:

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- 3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

### **REMUNERATION OF KEY MANAGERIAL PERSONNEL**

186. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

### **DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR**

187. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

### **CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS**

188. No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who –

- (a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
- (c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.

189. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
190. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely: -
- a) Managing Director and
- b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### **THE SECRETARY**

191. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

#### **THE SEAL, ITS CUSTODY AND USE**

192. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

#### **MINUTES**

193. 1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings



of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

- 2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.
  - (a) in the case of minutes of proceedings of a meeting of the Board or of a committee hereof, by the Chairman of the next succeeding meeting.
  - (b) In the case of minutes of proceedings of a General Meeting, by the chairman of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
194. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 198 above, shall be evidence of the proceedings recorded therein.
195. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 199 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be Valid.
196.
  - 1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday.
  - 2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
  - 3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
  - 4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.
  - 5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
  - 6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
    - (a) the names of the directors present at the meeting; and
    - (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
  - 7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting –
    - (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.

The Chairman shall exercise and absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

## **PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED**

197. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

## **DIVIDENDS**

198.

- 1) No dividend shall be declared or paid by a company for any financial year except –
- a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
  - b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government: Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by central government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

- 2) The depreciation shall be provided in accordance with the provisions of Schedule II of the act.
- 3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

- 4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.
- 5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

- 6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

#### **DIVIDEND TO JOINT HOLDERS**

199. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
200. 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.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

#### **APPORTIONMENT OF DIVIDENDS**

201. All dividends shall be apportioned and paid proportionate 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.

#### **DECLARATION OF DIVIDENDS**

202. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

#### **RESTRICTION ON AMOUNT OF DIVIDEND**

203. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### **DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST**

- 204.
- 1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.
  - 2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

#### **INTERIM DIVIDENDS**

205. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

#### **DEBTS MAY BE DEDUCTED**

206. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

#### **DIVIDEND AND CALL TOGETHER**

207. Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

## **EFFECT OF TRANSFER**

208. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

## **RETENTION IN CERTAIN CASES**

209. The Board may retain the dividends payable upon share in respect of which any person is under Articles entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

## **NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT**

210. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

## **PAYMENT BY POST**

211. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

## **DIVIDEND TO BE PAID WITHIN THIRTY DAYS**

212. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:
- (a) the dividend could not be paid by reason of the operation of any law or
  - (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
  - (c) there is dispute, regarding the right to receive the dividend or
  - (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
  - (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

## **UNPAID OR UNCLAIMED DIVIDEND**

213. 1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened

by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

- 2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.
- 3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
- 4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.
- 5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.
- 6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.

## **CAPITALIZATION OF RESERVES**

214.

- a. Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:
  - (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
  - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
  - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- b.
  - (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

- (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- c. Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- d. For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.
- e. If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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 of invalidity in the proceedings with reference to the sale.
- f. Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

### **FRACTIONAL CERTIFICATES**

215.

- (1) 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 and
  - (b) Generally, do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
  - (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
  - (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 thereof of the respective proportions of the profits resolved to be capitalised of the amounts

remaining unpaid on their existing Shares.

- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

### **DIVIDEND IN CASH**

- 216. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
- 217. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

### **BOOKS OF ACCOUNTS**

#### **BOOKS OF ACCOUNTS TO BE KEPT**

- 218. The Company shall cause to be kept proper books of account with respect to:
  - (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
  - (ii) all sales and purchases of goods and services by the company;
  - (iii) the assets and liabilities of the company; and
  - (iii) the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section;

#### **BOOKS WHERE TO BE KEPT AND INSPECTION**

- 219.
  - 1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government.
  - 2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).
  - 3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period

less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.

- 4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

#### **INSPECTION BY MEMBERS**

220. Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

221. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be atleast 30 (thirty) days.

#### **STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING**

222. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### **FINANCIAL STATEMENT**

223. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

#### **AUTHENTICATION OF FINANCIAL STATEMENT**

224. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

#### **BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT**

225. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the



Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company of Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 229. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

#### **RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT**

226. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:
- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
  - (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

#### **A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR**

227. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

#### **RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT**

228. (1) Without prejudice to the provisions of section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by central government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall –

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
  - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

### **ACCOUNTS TO BE AUDITED**

229.

- (1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

### **APPOINTMENT OF AUDITORS**

230.

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.
- (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:
- (a) he is not disqualified for re-appointment;
  - (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and

- (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
- (4) The company shall not appoint or reappoint -
  - (a) an individual as auditor for more than one term of five consecutive years; and
  - (b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that—

  - (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.
  - (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.
- (5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

### **POWER OF BOARD TO MODIFY FINAL ACCOUNTS**

- 231. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

### **DOCUMENTS AND NOTICE**

#### **SERVICES OF DOCUMENTS ON MEMBER BY COMPANY**

- 232. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by central government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

#### **SERVICE OF DOCUMENTS ON COMPANY**

- 233. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

#### **“Service of documents on the Company”**

- 234. Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

### **AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS**

- 235. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a

company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

## **REGISTERS AND DOCUMENTS**

### **REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

236. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
  - (b) Register of mortgages and charges as required by Section 85 of the Act.
  - (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
  - (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
  - (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
  - (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
  - (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

### **MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM**

237. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—
- (a) required to be kept by a company; or
  - (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

## **INDEMNITY**

238. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **WINDING UP**

### **DISTRIBUTION OF ASSETS**

- 239.
- (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
  - (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the

Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.

- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

#### **RIGHT OF SHAREHOLDERS IN CASE OF SALE**

240. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

#### **SECRECY CLAUSE**

241. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.
242. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

#### **KNOWLEDGE IMPLIED**

243. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

## SECTION XIV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at SwapnshilpBungalow, Behind Aarti Apartment Vartak Road, Virar (West), Palghar-401303, Maharashtra, India from date of filing the Prospectus with RoC till the Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### Material Contracts

- 1) Memorandum of Understanding dated December 06, 2022 between our Company and the Lead Manager to the Issue.
- 2) Registrar Agreement dated November 01, 2022 between our Company and the Registrar to the Issue.
- 3) Underwriting Agreement dated [●] between our Company and Underwriters- Lead Manager and Market Maker.
- 4) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
- 5) Tripartite agreement among the NSDL, our Company and the Registrar to the Issue dated February 28, 2022
- 6) Tripartite agreement among the CDSL, our Company and the Registrar to the Issue dated February 23, 2022.
- 7) Escrow Agreement dated [●] signed between our Company, the Lead Manager, Banker(s) to the Issue/ Escrow Collection Bank(s) and the Registrar to the Issue.

#### Material Documents

- 1) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
- 2) Certified true copy of resolution passed at the meeting of the Board of Directors of our Company dated August 30, 2022, authorizing the Fresh Issue of Equity Shares.
- 3) Certified true copy of special resolution of the shareholders passed at the Annual General Meeting dated September 30, 2022, authorizing the Fresh Issue of Equity Shares.
- 4) Statement of Tax Benefits dated November 01, 2022, issued by M/s R.K. Chapawat & Co, Chartered Accountants, Independent Peer Review Certified Auditor to the Company.
- 5) Peer Review Auditor's Report dated October 28, 2022 issued by M/s R.K. Chapawat & Co, Chartered Accountants, on the Restated Financial Statements for the financial years ending March 31, 2022, 2021 and 2020 and as at June 30, 2022 of our Company.
- 6) Copy of Audited Reports for Financial years 2019-2020, 2020-21 and 2021-22 and as at June 30, 2022.
- 7) Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, the Registrar to the Issue, the Statutory Auditors to the Company, Peer Reviewed Auditor, the Legal Advisor to the Issue, Legal Advisor to the Company, Banker(s) to the Company, Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities.

- 8) Copy of approval from BSE vide letter dated [●], to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE Ltd.
- 9) Due Diligence Certificate dated December 09, 2022 from the Lead Manager to BSE.
- 10) Due Diligence Certificate dated [●] from the Lead Manager to be submitted to SEBI.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that, all the relevant provisions Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India or the regulations/ guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013 ( to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/ guidelines issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### SIGNATURE BY ALL THE DIRECTORS OF OUR COMPANY

Name of the Directors	Signature
<b>Mr. Krupesh Deepak Thakur</b> Executive Director DIN No.: 07978746	Sd/-
<b>Ms. Abhilasha Nitin Thorave</b> Executive Director & CEO DIN No.: 09439166	Sd/-
<b>Mr. Sandeep Madhukar Joshi</b> Non-Executive Independent Director DIN No.: 01515729	Sd/-
<b>Mr. Rajaram Laxman Thorve</b> Non-Executive Independent Director DIN No.: 09535351	Sd/-
<b>Mr. Tejesh Vilas Patil</b> Non-Executive Independent Director DIN No.: 09528338	Sd/-

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>Mr. Anuj Vijay Khanderkar</b> PAN: BEXPK1033B	Sd/-
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### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

<b>Ms. Nupur Mohit Agrawal</b> PAN: BCHPB1625G	Sd/-
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**PLACE: Palghar**

**DATE: December 09, 2022**