



## V-Marc India Limited

Our Company was originally incorporated as Asian Galaxy Private Limited at Haridwar, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated March 04, 2014 issued by the Registrar of Companies, Uttarakhand bearing Corporate Identification Number U31908UR2014PTC001066. Subsequently, our Company acquired business of partnership firm namely "M/s Asian Wire & Cable Industries" pursuant to an acquisition deed dated March 10, 2014 to carry on the business of Manufacturing and Trading of PVC Insulated Wires and Cable etc. The said partnership firm was initially formed pursuant to partnership deed dated February 16, 2006 and was amended from time to time. The initial subscribers to the MOA were also the partners in the said partnership firm. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on January 12, 2021, the name of our Company was changed to "V-Marc India Private Limited" and a fresh Certificate of Incorporation pursuant to change of name dated February 03, 2021 has been issued by Registrar of Companies, Uttarakhand. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed by the shareholders of the Company at the extra-ordinary general meeting of our Company held on February 02, 2021 consequent to which the name of our Company was changed to "V-Marc India Limited" vide a fresh Certificate of Incorporation dated February 04, 2021 issued by the Registrar of Companies, Uttarakhand. The Corporate Identification Number of our Company is U31908UR2014PLC001066.

**Registered Office:** Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL Haridwar, Uttarakhand-249403

**Tel. No.:** +91 1334-239638; **E-mail:** [investor@v-marc.in](mailto:investor@v-marc.in); Website: [www.v-marc.com](http://www.v-marc.com);

**Contact Person:** Ms. Kanchan Gupta, Company Secretary and Compliance officer

**PROMOTERS OF OUR COMPANY:** VIKAS GARG AND MEENAKSHI GARG

### THE ISSUE

**INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF UPTO 60,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF V-MARC INDIA LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 39/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 29/- PER EQUITY SHARE) AGGREGATING UPTO ₹ 2,340.00 LAKHS (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UPTO 3,00,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH AT A PRICE OF ₹ 39/- PER EQUITY SHARE AGGREGATING ₹ 117.00 LAKHS FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UPTO 57,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ 39/- PER EQUITY SHARE, AGGREGATING ₹ 2,223.00 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.33 % AND 25.02 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

*The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs ("Pre IPO Placement"). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly.*

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WAS DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WAS ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER AND THE REGIONAL NEWSPAPER DAINIK HAWK, (HINDI BEING THE LOCAL LANGUAGE OF HARIDWAR, WHERE OUR REGISTERED OFFICE IS SITUATED), EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED REFERRED TO AS THE "STOCK EXCHANGE" FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, as amended. All Bidders, shall only participate in the issue through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account (including UPI ID for RIIs using UPI Mechanism) (UPI ID, RIIs and UPI Mechanism are defined hereinafter) wherein the Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" on page 193 of this Prospectus.

### RISK IN RELATION TO FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 80 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on EMERGE Platform of National Stock Exchange of India Limited. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 21 of this Prospectus.

### COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares of our Company offered through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received an In-principle approval letter dated March 05, 2021 from National Stock Exchange of India Limited for using its name in the Offer document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

### BOOK RUNNING LEAD MANAGER



#### PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra East, Mumbai – 400 051,  
Maharashtra, India  
**Tel:** +91-22 6194 6700  
**Fax:** +91-22 2659 8690  
**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)  
**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)  
**Investor Grievance Id:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)  
**Contact Person:** Kruthika Shetty  
**SEBI Registration No:** INM000012110

### REGISTRAR TO THE ISSUE



#### BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri East  
Mumbai – 400 059, Maharashtra  
**Tel:** +91 22 62638200  
**Fax:** +91 22 62638280  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Id:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Babu Raphael C  
**SEBI Registration Number:** INR000001385

### ISSUE PROGRAMME

**BID / ISSUE OPENS ON : THURSDAY, MARCH 25, 2021**

**BID / ISSUE CLOSSES ON: WEDNESDAY, MARCH 31, 2021**

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**SECTION I – GENERAL**  
**DEFINITION AND ABBREVIATION**

In this Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

**GENERAL TERMS**

Term	Description
“V-Marc India Limited” or “V-Marc” or “Our Company”, “the Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Unless the context otherwise requires, refers to V-Marc India Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL Haridwar, Uttarakhand-249403. India.
“We”, “us” or “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company

**COMPANY RELATED TERMS**

Term	Description
AOA/ Articles/ Articles of Association	Articles of Association of <i>V-Marc India Limited</i> , 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 <i>vide</i> Board resolution dated February 04, 2021. For details, please refer to the section titled “ <i>Our Management</i> ” on page 128 of this Prospectus.
Auditor or Statutory Auditor	The statutory auditor of our Company, being Rajeew Singal & Co., <i>Chartered Accountant</i> holding a valid peer review certificate dated May 18, 2017.
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 49 of this Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of V-Marc India Limited, including all duly constituted Committee(s) thereof.
Chairman/ Chairperson	The Chairman of Board of Directors of our Company being Vikas Garg.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Kanchan Gupta
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company being Ranjan Kumar Sawarna
CIN	Corporate Identification Number U31908UR2014PLC001066
Director(s)	Director(s) of our Company, unless otherwise specified
Executive Director	An executive director of our Company
Equity Shareholders/ shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of ₹ 10/- each fully paid up unless otherwise specified in the context thereof
Group Companies	Such Companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page 143 of this Prospectus.
Independent Director	A non-executive, independent Director as per the Companies Act, 2013 and the Listing Regulations.
IPO Committee	The IPO Committee constituted by our Board, to facilitate the process of the Issue, described in “ <i>Our Management</i> ” on page 128 of this Prospectus <i>vide</i> Board resolution dated February 04, 2021.
ISIN	International Securities Identification Number. In this case being INE0GXXK01018
Key Managerial Personnel (KMP)	Key managerial personnel of our Company in terms of Regulation 2 (1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013 and as identified in chapter titled “ <i>Our Management</i> ” beginning on page 128 of this Prospectus.
Materiality Policy	The policy adopted by our Board on February 04, 2021 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to 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.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as the Company’s Nomination & Remuneration Committee in accordance with Section 178(1) of the Companies Act, 2013 <i>vide</i> Board resolution dated February 04, 2021. For details, please refer to the chapter titled “ <i>Our Management</i> ” on page 128 of this Prospectus.
Non-Executive Director	A Director, not being an Executive Director

<b>Term</b>	<b>Description</b>
Promoter, Promoters or our Promoters	Promoters of our Company being Vikas Garg & Meenakshi Garg.
Promoter Group	Persons and entities constitute our promoter group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 140 of this Prospectus.
Registered Office	The Registered office of our Company situated at Plot No. 3, 4, 18, 20A, Sector I IDC, SIDCUL Haridwar, Uttarakhand-249403. India.
Restated Financial Statements/ Restated Financial Information	The restated financial statements of our Company for the period ended December 31, 2020 and for the financial years ended March 31, 2020, 2019 and 2018 which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto and included in “ <i>Financial Statements</i> ” on page 148 of this Prospectus.
RoC / Registrar of Companies	The Registrar of Companies, Office no. 259, Mezzanine floor 78, Rajpur road, Shri Radha Palace Dehradun, The Mall, 248001, Uttarakhand, India
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 vide Board resolution dated February 04, 2021. For details, please refer to the section titled “ <i>Our Management</i> ” on page 128 of this Prospectus.
Unit I	Plot No. 3, 4, 18, 20A, Sector I IDC, SIDCUL Haridwar, Uttarakhand-249403.
Unit II	Plot No. 15, Sector 8B, SIDCUL Haridwar, Uttarakhand - 249403.
you, your or yours	Prospective investors in this Issue

#### **ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The acknowledgement slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Bidders
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA / Application Supported by Blocked Amount	An application for subscribing to the Issue, along with an authorization to self-certified syndicate bank to block the application money in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, (with or without UPI ID, as applicable) whether physical or electronic, used by Bidders which has been considered as the application for Allotment in terms of the Red Herring Prospectus.
Banker(s) to the Issue/Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account has been opened and in this case being ICICI Bank Limited.
Bankers to the Issue Agreement	Banker to the Issue Agreement entered on March 12, 2021 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/ Banker to the Issue / Sponsor Bank for collection of the Bid Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 193 of this Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity

<b>Term</b>	<b>Description</b>
	Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid cum Application form	The ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which has been considered as an application for Allotment.
Bid Lot	3000 Equity shares and in multiples of 3000 Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Haridwar edition of the Regional newspaper Dainik Hawk, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Haridwar edition of the Regional newspaper Dainik Hawk, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, 2018, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchange, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the website of National Stock Exchange of India Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch/Designated Branch of SCSBs	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.

<b>Term</b>	<b>Description</b>
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, PAN, MICR code and bank account details and UPI ID wherever applicable.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the Collection Banks transfer funds from the public offer accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts including the accounts linked with UPI, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the issue.
Designated Intermediary (ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited.
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated February 18, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
EMERGE Platform of NSE/ SME Exchange	The EMERGE Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price has been finalised and below which no Bids were accepted.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document	The general information document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 notified by SEBI and included in "Issue Procedure" on page 193. The General Information Document shall be available on the websites of the Stock Exchange and the BRLM
Issue Agreement	The agreement dated February 04, 2021 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price were decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer

Term	Description
	chapter title “ <i>Objects of the Issue</i> ” beginning on page 69 of this Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Initial Public Issue of Upto 60,00,000 Equity Shares of face value ₹ 10/- each fully paid of our Company for cash at a price of ₹ 39/- per Equity Share (the “ <i>Issue Price</i> ”) (including a premium of ₹ 29/- per Equity Share) aggregating up to ₹ 2,340.00 lakhs. The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs (“Pre IPO Placement”). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly.
Listing Agreement	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pentagon Stock Brokers Private Limited who 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 3,00,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ 39/- per Equity Share aggregating ₹ 117.00 Lakhs for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated March 04, 2021 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
National Payments Corporation of India (NPCI)	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 57,00,00 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ 39/- per Equity Share aggregating ₹ 2,223.00 Lakhs by our Company.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page 69 of this Prospectus
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
NSE	National Stock Exchange of India Limited
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than ₹ 2,00,000 but not including NRIs other than Eligible NRIs.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs.
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 trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/ applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
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.
Pre – IPO Placement	The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs ( “Pre IPO Placement” ). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly
Price Band	Price band of a minimum price of ₹ 37/- per Equity Share (Floor Price) and the maximum price of ₹ 39/- per Equity Share (Cap Price) including revisions thereof.

<b>Term</b>	<b>Description</b>
	The Price Band and the minimum Bid Lot size for the Issue was decided by our Company in consultation with the BRLM and was advertised at least two Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and Haridwar edition of the Regional newspaper Dainik Hawk, each with wide circulation.
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the ROC after the Pricing Date in accordance with Section 26 and Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The Red Herring Prospectus dated March 19, 2021 to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares were offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus was filed with the ROC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the ROC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registered Brokers	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchange, through which investors can buy or sell securities listed on stock exchange, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited situated at Bharat Tin Works Building, 1 <sup>st</sup> Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059, Maharashtra, India
Registrar Agreement	The agreement dated February 04, 2021 entered by 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.
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI ICDR Regulations, 2018.
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Investors / RIIs	Individual Bidders (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2,00,000 in this Issue.
Revision Form	The Form used by Bidders to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s).
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised%20Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between



<b>Term</b>	<b>Description</b>
	our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SME Exchange	EMERGE Platform of National Stock Exchange of India Limited
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the issue registered with SEBI which is appointed by issuer to act as conduit between the Stock Exchange and NPCI (National in order to push the mandate collect request and /or payment instructions of the retail investors into the UPI, the sponsor bank in this case being ICICI Bank Limited.
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	Agreement dated March 04, 2021 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than BRLM) registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pentagon Stock Brokers Private Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated March 04, 2021 entered into between the Underwriter and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI 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, bidding in the Issue using the UPI mechanism, which will be blocked upon acceptance of UPI Mandate request by RIIs to the extent of the appropriate Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism using UPI that may be used by an RII to make a Bid in the Issue in accordance with SEBI Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI Mandate Request	Mandate request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the Mumbai as specified in the Red Herring Prospectus are open for business <ol style="list-style-type: none"> <li>1. However, in respect of announcement of price band and bid/ Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Red Herring Prospectus are open for business</li> <li>2. In respect to the time period between the bid/ Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.</li> </ol>

#### **TECHNICAL AND INDUSTRY RELATED TERMS**

<b>TERM</b>	<b>DESCRIPTION</b>
ACSR	Aluminium Conductor Steel Reinforced
CCEA	Cabinet Committee on Economic Affairs
CCV	Catenary Continuous Vulcanization
DDUGJY	Deen Dayal Upadhyay Gram Jyoti Yojana
DELP	Domestic Efficient Lighting Programme
DDUGJY	Deen Dayal Upadhyay Gram Jyoti Yojana
EPC	Engineering, Procurement and Construction
FDI	Foreign Direct Investment
FTP	Foreign Trade Policy

TERM	DESCRIPTION
ACSR	Aluminium Conductor Steel Reinforced
GDP	Gross Domestic Product
GVA	Gross Value Added
GW	Gigawatts
MEIS	Merchandise Exports from India Scheme
PMAY	Pradhan Mantri Gramin Awas Yojana
PMGK	Pradhan Mantri Garib Kalyan Package
FMEG	Fast-Moving Electrical Goods
SAUBHAGYA	Pradhan Mantri Sahaj Bijli Har Ghar Yojana scheme
SEIS	Service Exports from India Scheme
SLNP	Street Lighting National Programme
UDAY	Ujwal Discom Assurance Yojana
UHUDA	Uttarakhand Housing & Urban Development Authority
UJALA	Unnat Jyoti by Affordable LEDs for All

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
Associate	A person who is an associate of the issuer and as defined under the Companies Act, 2013
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
Bn	Billion
CAGR	Compounded Annual Growth Rate
CC	Cash Credit
CCI	The Competition Commission of India
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
Cm	Centimetre
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified Sections
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CS	Company Secretary
CSR	Corporate Social Responsibility
CEO	Chief Executive Officer
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade

<b>Term</b>	<b>Description</b>
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity Number
DTC	Direct Tax Code, 2013
EBITDA	Earnings before interest, depreciation, tax, amortization and extraordinary items less other income
EBITDA Margin	EBITDA divided by revenue from operations (net).
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPA	The Environment Protection Act, 1986
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
ER Act	The Equal Remuneration Act, 1976
ESI Act	The Employees' State Insurance Act, 1948
Etc.	Extra
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under.
FEMA 2000	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
Ft	Foot
FTP	Foreign Trade Policy
Fugitive economic offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GOI/ Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI Regulations/Regulations (ICDR)	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
IFRS	International Financial Reporting Standards

<b>Term</b>	<b>Description</b>
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
ID Act	The Industrial Disputes Act, 1947
IE Act	The Indian Easements Act, 1882
IEM	Industrial Entrepreneurs Memorandum
IFSC	Indian Financial System Code
IGST	Integrated GST
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
KMP	Key Managerial Personnel
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MSME	Micro, Small and Medium Enterprise
MWA	Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
MICR	Magnetic Ink Character Recognition
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MoA	Memorandum of Association
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
PIL	Public Interest Litigation
POB Act	Payment of Bonus Act, 1965
Public Liability Act/PLI Act	The Public Liability Insurance Act, 1991
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
QIB	Qualified Institutional Buyer

<b>Term</b>	<b>Description</b>
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
R&D	Research & Development
Registration Act	The Indian Registration Act, 1908
RoC	Registrar of Companies
RoNW	Return on Net Worth
ROE	Return on Equity
Rs. / INR/ ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SHWW/SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
SGST	State GST
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	Emerge platform of National Stock Exchange of India Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
UPI	Unified payments interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/ U.S. / USA/United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax

<b>Term</b>	<b>Description</b>
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
Wages Act	Payment of Wages Act, 1936
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
WCA	The Workmen's Compensation Act, 1923
Wilful defaulter	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on wilful defaulter issued by the RBI.
YoY	Year over year

*Notwithstanding the following: -*

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 211 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 148 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factors*” beginning on page 21 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Special Tax Benefits*” beginning on page 83 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 151 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditor, set out in the section titled “*Financial Statements*” beginning on page 148 this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular fiscal year are to the 12 month period ended March 31<sup>st</sup> of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS, Ind AS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements*” beginning on page 148 of this Prospectus.

### CURRENCY OF PRESENTATION

In this Prospectus, references to “Rupees” or “Rs.” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” beginning on page 21 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this 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

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21 and 151 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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



## SECTION II – OFFER DOCUMENT SUMMARY

### OVERVIEW OF INDUSTRY

The wires and cables sector is a direct beneficiary of development of power generation and distribution Infrastructure, as the market comprises nearly 40% of the electrical industry in India. The industry is projected to grow a CAGR of about 11% to reach ` 1,000-1,100 Billion by FY 2023-24. India has also become a net exporter of cables and wires propelled by double-digit annual growth of 12% from 2009 to 2019.

Growth in the sector is primarily driven by the recent development push in power and infrastructure segments, supported by the Government policies, renewable energy push and Government schemes for electrification, housing development and smart cities. The wires and cables industry comprises a large number of small and medium manufacturers and a few large and branded players with both domestic and export capabilities. Organized players' share in the market is constantly growing and is expected to touch 79% by FY 2023-24 from 68% in FY 2018-19. Implementation of GST, improved efficiency and a balanced cost structure are some factors contributing to the growth of organized sector in India. Further, growing middle class incomes and customer involvement in electrical purchase and preference for quality and brand are driving the growth of organized players in the retail wires and cables market.

*For further details please see the chapter titled “Our Industry” beginning on page 86 of this Prospectus.*

### OVERVIEW OF BUSINESS

We are engaged in manufacturing and marketing of wires and cables under the brand name “V-Marc”. Our Promoter Vikas Garg commenced business in a partnership firm in 2006 as a manufacturer and distributor of PVC insulated wires and cables and have over the years, evolved, expanded and diversified to become an established manufacturer of wires and cables with a total income of ₹ 17,164.44 lakhs in Fiscal 2020. We manufacture and sell a diverse range of wires and cables and our key products are single & multistrand cables, CCTV cables, LAN cables, coaxial cables, telephone switchboard cables, power cables (LT and HT cables upto 33kv grade), flexible & control cables, core flat cables, solar cables, wires and aerial bunched cables. Our products are also certified as compliant with various quality standards including Bureau of Indian Standards (“BIS”) and Certiva Limited (“CE”).

We sell our products through a diversified sales & distribution mix, majorly by 1) securing government tenders for supply to government projects 2) supply to EPC contractors for turnkey projects and 3) our dealer & distribution network and direct sales to few private companies.

Vikas Garg and Meenakshi Garg are the Promoters of Our Company.

For, further details regarding risk involved in Business of the Company and risk in relation to the Issue, refer to chapter titled “Risk Factor” and “Our Business” beginning on page 21 and 102 of this Prospectus.

### DETAILS OF THE ISSUE

Initial public offer of up to 60,00,000 equity shares of face value of ₹ 10/- each (“equity shares”) of *V-Marc India Limited* (“Company” or “Issuer”) for cash at a price of ₹ 39/- per equity share (including a share premium of ₹ 29/- per equity share) aggregating up to ₹ 2,340.00 lakhs (the “Issue”). The Issue includes a reservation of up to 3,00,000 equity shares of face value ₹ 10/- each at a price of ₹ 39/- per equity share aggregating ₹ 117.00 lakhs for subscription by the market maker to the Issue (the “market maker reservation portion”). The Issue less market maker reservation portion i.e. Net Issue of up to 57,00,000 equity shares of face value of ₹ 10/- each for cash at a price of ₹ 39/- per equity share, aggregating ₹ 2,223.00 lakhs is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute 26.33% and 25.02% respectively of the post Issue paid up equity share capital of our company.

The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs ( “Pre IPO Placement” ). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly.

### OBJECTS OF THE ISSUE

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

(₹ in lakhs)

Sr. No.	Particulars	Estimated amount <sup>(1)</sup>
1.	Funding capital expenditure for setting up our proposed new manufacturing facility at Roorkee, Uttarakhand	1,500.00
2.	Funding the working capital requirements of our Company	500.00
3.	General corporate purposes	462.96

<sup>(1)</sup> Including Pre-IPO placement of 8,40,000 shares aggregating to ₹ 327.60 lakhs

For further details, see “Objects of the Issue” beginning on page 69 of the Prospectus.

## PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group members are collectively holding 1,59,41,696 Equity shares of our Company aggregating to 94.97% of the pre-issue paid-up share capital of our Company. Following are the details of shareholding of Promoters and Promoter group members:

Sr. No.	Name of Shareholder	Pre-issue	
		No of Equity Shares	% of Pre-issue Capital
(I)	(II)	(III)	(IV)
	<b>Promoter</b>		
1	Vikas Garg	1,25,92,100	75.02
2	Meenakshi Garg	33,48,596	19.95
	<b>Subtotal (A)</b>	<b>1,59,40,696</b>	<b>94.97</b>
	<b>Promoter Group</b>		
3	Anuj Garg	1,000	Negligible
	<b>Subtotal (B)</b>	<b>1,000</b>	<b>Negligible</b>
	<b>Total (A+B)</b>	<b>1,59,41,696</b>	<b>94.97</b>

## SUMMARY OF FINANCIAL INFORMATION

Following are details as per the Restated Financial Statements for the period ended on December 31, 2020 and financial years ended on March 31, 2020, 2019 and 2018:

(₹ in lakhs)

Particulars	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Share Capital	1,594.57	1,594.57	1,594.57	1,424.57
Net Worth	3,818.92	3,417.34	2,952.74	2,293.79
Total Revenue	13,062.57	17,164.44	20,525.61	14,351.31
Profit after tax	401.58	464.60	488.95	223.66
Basic & Diluted Earnings per share (in ₹) as per denomination ₹ 10/- per share	2.52	2.91	3.36	1.57
Net asset value per share (in Rs.) as per denomination ₹ 10/- per share	23.95	21.43	18.52	16.10
Total borrowings (as per balance sheet)	5,062.77	4,480.53	3,691.81	3,683.88

## AUDITOR QUALIFICATIONS

There are no Auditor qualifications which require adjustments and have not been given effect to in the Restated Financial Statements.

## SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters, Directors and Group Company are currently involved in certain litigations which are currently pending at various stages, the details of the same are summarised in the table set forth below:

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings	Aggregate amount involved (₹ in lakhs)
By the Company	17	Nil	Nil	Nil	34.73
Against the Company	02	Nil	03	Nil	174.61
By the Promoter	Nil	Nil	Nil	Nil	-
Against the Promoter	Nil	Nil	06	Nil	2.60
By the Directors	Nil	Nil	Nil	Nil	-
Against the Directors	Nil	Nil	02	Nil	15.1
By Group Companies	Nil	Nil	Nil	Nil	-
Against Group Companies	Nil	Nil	02	Nil	1.44

For further details in relation to legal proceedings involving our Company, Group Companies, Promoters and Directors, refer chapter titled “*Outstanding Litigation and Material Developments*” on page 169 of this Prospectus.

## RISK FACTORS

Please see the chapter “*Risk factors*” beginning on page 21.

## SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities of the Company for the period ended on December 31, 2020 and financial years ended on March 31, 2020, 2019 and 2018:

(Amount in lakhs)

Particulars	For the Year/Period ended on			
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Capital Commitments (Letter of Credit issued)	756.73	680.25	1,079.97	942.51
Bank Guarantee issued not acknowledged as debts	1,541.33	1,540.65	1,120.68	986.84
<b>Total</b>	<b>2,298.06</b>	<b>2,220.90</b>	<b>2,200.65</b>	<b>1,929.35</b>

For further details regarding the same, refer the Chapter titled “*Financial Statements*” beginning on page 148 of this Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related parties transaction of the Company for the period ended on December 31, 2020 and financial years ended on March 31, 2020, 2019 and 2018:

(₹ in lakhs)

(A) List of Related Parties:				
Particulars	Relationship			
	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
Key Management Personnel (KMP) & Director				
Shri Vikas Garg	Director	Director	Director	Director
Smt. Meenakshi Garg	Director	Director	Director	Director
Shri Sandeep Kumar Srivastava	Director	Director	-	-
CS Chanchal Garg	Company Secretary	Company Secretary	Company Secretary	-

CS Neeraj Mudgal	-	-	-	Company Secretary		
<b>Enterprises owned or Significantly influenced by Key Management personnel or their relatives</b>	V-Marc Electricals Pvt Limited	V-Marc Electricals Pvt Limited	V-Marc Electricals Pvt Limited	V-Marc Electricals Pvt Limited		
	Asian Ambrosia India Pvt. Limited	Asian Ambrosia India Pvt. Limited	Royal Cable Industries	Vaibhav Trading Co.		
<b>(B) Transactions During the Year</b>						
<b>Particulars</b>	<b>Relationship</b>	<b>As on December 31, 2020</b>	<b>As on March 31, 2020</b>	<b>As on March 31, 2019</b>	<b>As on March 31, 2018</b>	
<b><u>Loan Received:-</u></b>						
Shri Vikas Garg	KMP & Director	-	15.00	-	-	
<b><u>Loan Repaid</u></b>						
Shri Vikas Garg	KMP & Director	15.00	-	-	-	
<b><u>Remuneration/Salary</u></b>						
Shri Vikas Garg	KMP & Director	68.00	84.00	84.00	48.00	
Smt. Meenakshi Garg	KMP & Director	45.00	60.00	60.00	33.00	
Shri Sandeep Kumar Srivastava	KMP & Director	13.00	2.00	-	-	
CS Chanchal Garg	KMP & Director	1.28	1.60	-	-	
CS Neeraj Mudgal	KMP & Director	-	0.21	1.27	1.27	
Smt. Seema Garg	Relative of KMP	-	12.00	-	-	
<b><u>Commission Paid:-</u></b>						
Shri Vikas Garg	KMP & Director	-	18.10	-	-	
<b><u>Rent Received :-</u></b>						
V Marc Electricals Private Limited	Enterprises Owned/influenced by KMP	0.53	0.22	-	-	
<b><u>Sales of Goods:-</u></b>						
V Marc Electricals Private Limited		-	-	-	-	
Asian Ambrosia India Pvt. Limited		6.56	19.27	13.88	-	
<b><u>Purchase of Capital Goods:-</u></b>						
V Marc Electricals Private Limited		-	-	-	-	
<b><u>Purchase of Goods/Services:-</u></b>						
V Marc Electricals Private Limited		6,491.49	4,163.80	4,430.56	6,020.22	
Royal Cable Industries		-	-	38.24	-	
Vaibhav Trading Co.		-	-	-	22.13	
Asian Ambrosia India Pvt. Limited		7.50	-	-	-	
<b><u>Job Work Charges Paid:-</u></b>						
V Marc Electricals Private Limited		164.13	396.43	500.50	82.90	
<b>(C) Balance at the end of Year</b>						
Unsecured Loans	-	15.00	-	-		
Trade Payables	-	-	-	-		
V Marc Electricals Pvt Limited	103.40	708.90	423.98	71.27		
Vaibhav Trading Co	-	-	-	5.93		
Royal Cable Industries	-	0.13	0.13	-		
Trade Receivable	-	-	-	-		

Asia Ambrosia India Pvt. Limited		-	4.27	1.94	(1.25)
Remuneration/Salary Payable		-	-	-	-
Shri Vikas Garg		9.08	7.32	18.35	18.90
Smt. Meenakshi Garg		3.11	4.75	3.52	14.21
Shri Sandeep Kumar Srivastava		16.42	2.00	-	-
CS Chanchal Garg		0.16	0.16	-	-
CS Neeraj Mudgal		-	-	0.21	-

For further details of the same refer the Annexure 34 under Chapter titled “*Financial Statements*” beginning on page 148 of this Prospectus.

#### **DETAILS OF FINANCING ARRANGEMENTS**

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

#### **WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES ACQUIRED BY EACH OF OUR PROMOTERS**

During the preceding one year from the date of filing of this Prospectus, our Promoters Vikas Garg and Meenakshi Garg have not acquired any equity shares.

#### **AVERAGE COST OF ACQUISITION OF SHARES:**

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

<b>Name of promoter</b>	<b>No. of Equity Shares held</b>	<b>Average Cost of Acquisition (In Rs.)</b>
Vikas Garg	1,25,92,100	10.00
Meenakshi Garg	33,48,596	10.00

#### **DETAILS OF PRE-IPO PLACEMENT**

The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs ( “Pre IPO Placement” ). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly.

#### **EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR**

We have not issued any Equity Shares for consideration other than cash during last one year from the date of this Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

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

### SECTION III - RISK FACTORS

*An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with “Our Business”, “Our Industry” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 102, 86 and 151 respectively, as well as the financial and other information contained in, the Red Herring Prospectus.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. The Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Red Herring Prospectus. For further details, see “Forward Looking Statement” on page 15.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for Fiscals 2018, 2019 and 2020 and the nine months period ended December 31, 2020 included in the Red Herring Prospectus.*

#### **Internal Risk Factors**

##### **Risks Relating to our Business**

- 1. Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations. As on the date of the Prospectus, we are dependent on a limited number of suppliers for our raw material requirements. Any kind of refusal from them can hinder our production resulting into loss of our clients.***

The principal raw materials used in our manufacturing process are aluminium, copper, galvanised iron wire and insulation materials such as XLPE, PVC compounds. The costs of raw materials consumed for the period ended December 31, 2020 and for the fiscal 2020, 2019 and 2018 was 87.32%, 84.54%, 81.55% and 95.15% respectively our total revenue from operations. As commodity metals, the prices of copper and aluminium are linked to the prices on the London Metal Exchange (“LME”), while the price of PVC Compounds is linked to crude oil prices. We have in the past experienced cost fluctuations for these raw materials due to volatility in the commodity markets or crude oil prices, as the case may be. While we generally pass on the cost increases to our customers, we may not be able to pass on every instance of increase in input cost and may have to pursue internal cost control measures. If we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We source our raw materials requirement locally. We do not have long term agreements with any of our raw material or inputs suppliers and we purchase such raw materials and inputs on spot order basis. Purchases made from our top 10 suppliers represented 84.55% and 77.75% of our raw material purchase during the nine months ended December 31, 2020 and Fiscal 2020 respectively. While we believe that we could find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we

may lose customers and incur contractual penalties or liabilities for failure to perform contracts, which could have a material adverse effect on our business, financial condition and results of operations. Further our raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

While we usually maintain three to four weeks of inventory for all our primary raw materials, we have experienced instances of shortages in a limited manner. During such periods of shortages in raw materials, we may not be able to manufacture our products according to our pre-determined time frames, at our previously estimated product costs, or at all, which may adversely affect our business, results of operations, cash flows and reputation.

*Management Perception: We majorly procure semi-processed raw material from our Group Company - V-Marc Electrical Private Limited, which represented 54.66% and 28.65% of our raw material purchases during the nine months ended December 31, 2020 and Fiscal 2020 respectively. Such arrangement reduces our dependence on external suppliers. However if the said Group Company faces any hindrance with respect to their raw material supplies, our production schedules may also be adversely affected.*

- 2. The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Wires & cables industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. We have also employed contract labour at our manufacturing facilities. 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.

- 3. Our manufacturing facilities are critical to our business operations and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Both of our manufacturing facilities are located at Haridwar. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facilities are susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be

significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our manufacturing facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

**4. *We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.***

For the nine month period ended December 31, 2020 and for the fiscal 2020, 2019 and 2018 our capital expenditures, reflected in our financial statements as additions/adjustments to property, plant and equipment were, ₹1,034.72 lakhs, ₹ 366.32 lakhs, ₹ 48.14 lakhs and ₹ 184.20 lakhs respectively. The actual amount and timing of our future capital requirements may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, additional market developments and new opportunities in the cables and wires industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the shareholding of existing shareholders.

Further we require a significant amount of working capital for our operations. A significant amount of our working capital is required to finance the purchase of materials before payment is received from our customers. Further we also maintain inventory levels as per industry standards. Our trade receivables are generally non-interest bearing and are generally on credit terms up to 60-90 days, except for our EPC business. For our EPC business, our credit terms are dependent on the terms of our contracts. Our working capital requirements may increase if the payment terms in our agreements with our customers or purchase orders include reduced advance payments or longer payment schedules, or if our there is delayed realisation from our customers. These factors may result, and have in the past resulted, in increases in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have a material adverse effect on our financial condition, results of operations and cash flows.

**5. *If we are unable to maintain and enhance our brand, the sales of our products will suffer, which would have a material adverse effect on our results of operations.***

We believe that our brand plays a significant role in the success of our business and sustaining customer loyalty. The ability to differentiate our brand and products from that of our competitors through our promotional, marketing and advertising initiatives is an important factor in attracting customers. There can be no assurance that our brand name will not be adversely affected in the future by actions that are beyond our control including customer complaints or adverse publicity from any other source in India. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our reputation, competitive position in India and abroad, business, financial condition, results of operations and cash flows.

Maintaining and enhancing our brand image may also require us to undertake significant expenditures and make investments in areas such as developing new range of products, advertising and marketing, through media and other channels of publicity, and towards employee development and training. If our initiatives in any of these areas are not effectively implemented or our products fail to find acceptance with our existing and potential customers resulting in loss of customer confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected.

**6. *Delay in schedule of implementation may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is currently proposing to set up a new manufacturing facility for manufacturing of high voltage cables, produced by dry/nitrogen gas cure technology by way of installation of Catenary Continuous Vulcanization (CCV) line and increasing our installed capacities for existing products. For further details regarding to our proposed manufacturing facility, please refer the chapter titled our "Objects of the Issue" on page 69 of this Prospectus. We



may face risks relating to the commissioning of our new manufacturing facility for production including delays to construction timetables, failure to complete the projects within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India and other jurisdictions in which we operate. We have limited control over the timing and quality of services, equipment, machineries or other supplies from third party contractors and/or consultants appointed by us, and we may be required to incur additional unanticipated costs to remedy any defect or default in their services or products to ensure that the planned timelines are adhered to. Further as and when we commission our planned manufacturing facility, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new unit as well as in realigning our management and other resources and managing our consequent growth. In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

The proposed setting up of a new manufacturing unit will require us to obtain various approvals, which are routine in nature. We have filed applications for seeking consent to establish with the Uttarakhand Pollution Control Board; Further we have also obtained an in-principle approval from State/District Nodal Agency, Single Window Clearance System. Government of Uttarakhand which acts as a Nodal Agency for Department of Revenue, State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd, Uttarakhand Environment Pollution Control Board, Uttarakhand Power Corporation Limited, Uttarakhand Fire and Emergency Services, Department of Labour, State Industrial Development Authority and UHUDA. In addition to such pending approvals, we will also need to apply for certain additional approvals for the proposed facility, as required in due course. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

7. ***We generate our major portion of sales from our operations in certain geographical regions especially Uttarakhand, Uttar Pradesh and Madhya Pradesh. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

For the nine months period ended December 31, 2020 and for the year ended March 31, 2020 our revenue from our customers situated in Uttarakhand, Uttar Pradesh and Madhya Pradesh contributed 72.53% and 71.70% of our total revenue from operations as per our Restated Financial Statements. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

*Management Perception: As on the date of the Prospectus, the Company has already made a presence in more than 15 other states and aims to strengthen its presence and expand operations in such regions.*

8. ***Our Company, its Promoters and Directors and Group Companies are involved in certain litigations viz criminal, civil and tax proceedings which are currently pending at various stages. Any adverse decision in these proceedings may render us liable to various penalties and/or monetary compensation and may adversely affect our business and results of operations.***

A classification of legal proceedings is mentioned below:

Also, there is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings and any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Companies, kindly refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 169 of this Prospectus.

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings	Aggregate amount involved (₹ in lakhs)
By the Company	17	Nil	Nil	Nil	34.73
Against the Company	02	Nil	03	Nil	174.61
By the Promoter	Nil	Nil	Nil	Nil	-
Against the Promoter	Nil	Nil	06	Nil	2.60
By the Directors	Nil	Nil	Nil	Nil	-
Against the Directors	Nil	Nil	02	Nil	15.1
By Group Companies	Nil	Nil	Nil	Nil	-
Against Group Companies	Nil	Nil	02	Nil	1.44

**9. *An inability to expand or manage our distribution network for business or the loss of any significant dealer may adversely affect our business and results of operations.***

We sell our products to retail customers through our large distribution network of dealers and sub-dealers across India. The competition for dealers and sub-dealers is intense in our industry and many of our competitors including the large players continue to expand their distribution networks. There can be no assurance that we will be able to successfully expand, maintain or manage our large distribution network and strengthen our relationship with our significant dealers in the future. If we lose any of our significant dealers or sub-dealers to competitors, we may lose some or all favorable arrangements with such dealer or sub-dealer, which could result in weakening or termination of our relationships with other dealers and sub-dealers. We may also not be able to effectively manage our dealers and sub-dealers, and the cost of any consolidation or further expansion of our distribution network may exceed the additional revenue generated from such efforts. As at the date of this Prospectus, we do not have any arrangements with our distributors and dealers which requires them to exclusively sell our products. Furthermore, the performance of our dealers and sub-dealers and their ability to sell our products, strengthen our brand and expand their businesses and their sales network are crucial for the future growth of our business and would directly affect our sales volume and profitability. While our top ten dealers are not necessarily the same in every fiscal year or reporting period, our key dealers contribute a significant proportion of our total revenues. An inability to develop and maintain our relationship with key dealers by providing new and quality products, effective branding and marketing for such products, attractive commercial arrangements, or effective training and network support for dealers, may result in the loss of key dealers. There can be no assurance that we will be able to maintain or increase the historic levels of business from our key dealers, or that we will be able to immediately and successfully replace these key dealers at terms acceptable to us, should we lose any or all of them. Any loss of such key dealers may adversely affect our business, results of operations and financial condition.

**10. *The outbreak of COVID-19, or outbreak of any other similar severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and

operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding COVID-19 and distribution of vaccine is in initial stages in our country. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts.

If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty.

It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact COVID-19 may have on our results and financial condition, but we cannot assure that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further if the any new lockdown is imposed, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

***11. We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls and exposure to potential product liability claims.***

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. The products manufactured by us need to comply with certain standards as prescribed by the Bureau of Indian Standards (BIS). We may not be able to meet regulatory relevant quality standards in India, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. The quality of raw materials will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Our failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals or renewal, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

***12. The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.***

We compete in wires & cables industry on the basis of the range of our products, quality of our products, price, securing government tenders and distribution network. The industry in which we operate is highly competitive. The industry and markets for our products are characterized by factors such as technological change, the development of new end products and their rapid obsolescence, evolving industry standards and significant price erosion over the life of a product. Factors affecting our competitive success include, amongst other things, price, demand for our

products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian wires & cables industry as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

**13. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business.***

All of the approvals are required to be transferred in the name of V-Marc India Limited from Asian Galaxy India Private Limited pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.

Our Company has applied for certain licenses, however the same are pending approval. The said pending approvals are as follows:

1. Our Company has made an application for obtaining fire NOC for the proposed plant having application number 82602489.
2. Our Company has made an application dated January 30, 2021 for Consent to establish for the proposed plant and has paid the fees of Rs.75000/- vide transaction ID 817457867.

Our Company has applied following licenses which are pending to be approved as on the date of this Prospectus:

1. Our Company is yet to apply for change of name on all the above approvals/ licenses.
2. Our Company had filed Common Application Form No. 3901 and 4665 expressing its intent to setup manufacturing/service enterprise (the proposed plant). The District/State Nodal Agency Single Window Clearance System, Government of Uttarakhand has granted in-principle approval for establishment of enterprise vide letters dated June 26, 2019 and May 21, 2019 respectively. However, our Company is yet to apply for the final approvals for establishment of the enterprise.

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. Any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

For more information, see chapter “*Government and Other Statutory Approvals*” on page 173 of this Prospectus.

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

Our manufacturing process requires substantial amount of power and fuel facilities. For the nine months period ended December 31, 2020 and for the fiscal 2020, 2019 & 2018, our direct expenses for electricity and generator running expenses were 0.93%, 1.13%, 0.94% and 0.70% respectively of our total revenue from operations. The quantum and nature of power and fuel 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. We source the power requirements for our

manufacturing facilities mainly from state electricity boards. To battle electricity failures, we also have diesel generator to meet exigencies at our main facility, however, we cannot assure you that our facilities will be operational during power failures. Any disruption / non availability of power or fuel or any failure on our part to arrange alternate sources of electricity and fuel supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

- 15. *We derive a significant portion of our revenue from certain customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on a limited number of customers for a significant portion of our revenues. Revenues generated from sales to our top 10 customers represented 71.46% and 59.59% of our revenue from operations during the nine months period ended December 31, 2020 and Fiscal 2020. While we have developed strong and long-term relationships with certain of our customers and continue to add new customers in the normal course of business, there can be no assurance that our significant customers in the past or our newly acquired customers will continue to place similar orders with us in the future. The loss of one or more of these significant customers or a significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the industry in which our customer operates or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

- 16. *Our government and PSU contracts are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new projects are not awarded to us.***

We derive a significant portion of our revenue from supply of products for government & PSU companies. For the nine months period ended December 31, 2020 and for the fiscal 2020, 2019 & 2018, our revenue from such contracts were ₹ 3,960.69 lakhs, 6,759.19 lakhs, 7,920.52 lakhs and 4,787.42 lakhs respectively. Such contracts are generally obtained through a competitive bidding process which involves certain prequalification criteria like net worth, experience, capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects. In selecting suppliers for major projects, customers generally limit the tender to suppliers they have pre-qualified based on these criteria, although price competitiveness of the bid is the most important selection criterion. The growth of our business mainly depends on our ability to obtain new contracts in the sectors in which we operate. Generally, it is very difficult to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of work and completion of contracts in the scheduled time period. If we fail to qualify or are unable to obtain new contracts, our business and financial condition could be adversely affected.

- 17. *The nature of our business from government companies, PSUs and EPC contractors exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is often of the essence in our projects. We typically enter into contracts with government companies, PSUs and EPC contractors which provide for liquidated damages for time overruns. In the event there are delays in our current or future orders and we are unable to receive extensions from our customers, we may be exposed to late delivery charges, liquidated damages and termination apart from entailing significant cost and time overruns. We are generally required to furnish performance guarantees in the form of bank guarantees. In the event we fail to perform under the terms of a contract, a bank guarantee may be called upon by our customer, which could adversely affect our financial condition and results of operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. Faults in technical specifications

might also lead to order rejection or modification, which may not be foreseen. In addition, if there is a customer dispute regarding our product or deliveries, the customer may delay or withhold payment to us. In the past we have incurred late delivery charges in respect of our contracts. For the period ended December 31, 2020 and for the fiscal 2020, 2019 and 2018 our Company has incurred late payment charges on account of delay in deliveries of products of ₹198.63 lakhs, ₹186.99 lakhs, ₹40.49 lakhs and ₹32.91 lakhs respectively.

**18. *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 and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade 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 manufacture, 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 forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of raw material and local transportation. Should our supply of raw materials be disrupted, we may not be able to procure an alternate source of supply in time to meet the demands of our customers. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of product to our 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. To improve our line capability, we try to stock our inventory at our manufacturing facilities. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. 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.

**19. *Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.***

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or delay in procurement of raw material or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. For the period ended December 31, 2020 and for the fiscals 2020, 2019 and 2018 our Company has incurred late payment charges on account of delay in deliveries of products of ₹198.63 lakhs, ₹ 186.99 lakhs, ₹ 40.49 lakhs and ₹32.91 lakhs respectively. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at December 31, 2020 our trade receivables (net of provision for doubtful debts) was ₹ 4,106.78 lakhs. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. As on date of Prospectus, we have filed 17 cases under section 138 of negotiable instruments act, 1881 for an aggregate amount of ₹ 34.73 lakhs. Further, we also have two ongoing matters which are at the stage of appeal filed by the Jai Bhagwan Singhal & Ors. and Siddhivinayak Electricals Pvt Ltd for an aggregate amount of ₹172.28 lakhs.

As at December 31, 2020, our Company has made a provision for doubtful debts in respect of the above cases for ₹ 52.18 lakhs against our outstanding dues. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

- 20. *Our Company is dependent on third party transportation providers, with whom we have no formal arrangements, for the delivery of our raw materials and finished goods and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect our Company's reputation and results of operations.***

We rely on third parties logistic service providers, with whom we have no formal arrangement, to provide rail, trucking and other transportation facilities for the transfer of raw materials to our manufacturing facilities and the supply of finished products to our customers. Such logistics providers are arranged on spot basis and in certain cases may not be insured for the full value of the load that they are carrying. These transportation facilities may not be adequate to support our existing and future operations and there may be disruptions of transportation and logistics services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and seaport facilities. Also we do not own any trucks or commercial transport vehicles and primarily use third-party logistic providers for all of our product distribution and input materials procurement. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs and results of our operations. Any disruption of any of our transportation routes or facilities may adversely affect our business, financial condition, results of operations and cash flows.

- 21. *Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.***

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our secured debt has been availed at floating rates of interest. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “*Financial Indebtedness*” beginning on page 165 of this Prospectus.

- 22. *The Company is yet to place orders for 100% of the plant & machineries for our proposed object of setting up a new manufacturing facility, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machineries may delay our implementation schedule and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.***

Although we have identified the type of plant and machineries required to be bought for our proposed manufacturing facility, we are yet to place orders for 100% of the plant & machinery worth ₹ 2138.00 lakhs as detailed in the “*Objects of the Issue*” beginning on page 69 of this Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of plant & machineries, equipments among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machineries, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 69 of this Prospectus.

- 23. *We have not entered into any long term or definitive agreements with our dealers or customers. If our dealers or customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

We have not entered into any long term or definitive agreements with our dealers or customers, and instead rely on purchase orders to govern the volume, pricing and other terms of sales of our products in case of our direct sales. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers’ vendor preferences.

Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery

schedules. Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.


**24. Our Company is in process of making an application for Assignment of trademark "V-Marc" in the name of our**


**Company and registration and assignment for the trademark "  " is pending**

The Promoter of our Company is the proprietor of the registered trademark "V-Marc" (Class 9) (Application No.1320709). Our Promoter has assigned the "V-Marc" Trademark in favour of our Company through the deed of assignment entered on February 04, 2021. Consequently, our Company is in process of making an application for assignment of the trademark.

The assignment of brand allows us to use the "V-Marc" trademark. Since, the application as mentioned above is pending; the use of such trademarks by third parties cannot be prohibited by our Company by means of statutory protection until our Company's name is entered as a subsequent registered proprietor on the trademark register.

Further, it may be noted that the proprietor of the registered trademark being the Promoter of our Company may prohibit use of such trademarks by third parties.

Vikas Garg, Promoter, of our Company, has applied for registration of "  " trademark under class 9 vide

application no. 4821669 dated January 15, 2021. He has also agreed to assign the trademark "  " in favour of our Company upon the grant of the registration which will enable our Company to prohibit the use of such trademark by third parties. If the registration is not granted, it may have an adverse impact on business of our Company.

**25. Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating.**

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. We had been last rated by Brickwork ratings who has revised the Long term rating of BWR BBB with a stable outlook for long term facilities and BWR A3+ for short term facilities. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

**26. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other



litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

**27. *We do not own the land on which our existing manufacturing facilities, branch office and sales depots are located.***

We do not own the land on which our existing manufacturing facilities, branch office and sales depots are located. These facilities, office and sales depots are taken on lease by us from third parties for a certain period. For details, please refer chapter titled “Our Business” beginning on page 102 of the Prospectus. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our existing facilities, branch office or sales depots to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

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

In the past, there have been some instances of incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. As on date, there has been no amount of penalty levied on the Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

**29. *We have certain contingent liabilities that have not been provided for in our Company’s financials which if materialised, could adversely affect our financial condition.***

Our contingent liabilities as on December 31, 2020 are as under:

(₹ in lakhs)

Sr. No.	Particulars	As at December 31, 2020
1.	Capital Commitments (Letter of Credit issued)	756.73
2.	Bank Guarantee issued not acknowledged as debts	1,541.33
	<b>Total</b>	<b>2,298.06</b>

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Financial Statements” on page 148 of this Prospectus.

**30. *Failure or disruption of our IT and/or business resource planning systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.***

We have implemented various information technology (“IT”) and/or business resource planning systems to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, financial accounting and scheduling raw material purchase and shipments. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. While the business

resource planning systems that we have implemented have enabled us to improve our working capital cycles, despite an increase in our sales over the period, we can provide no assurance that we will be able to do so in the future.

We believe that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, at our manufacturing facilities and registered office. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and cash flows.

**31. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.***

Our growth strategies requires us to develop and strengthen relationships with existing dealers and customers for our wires & cables business who may drive high volume orders on an ongoing basis. To remain competitive, we propose to a set up a new manufacturing facility with advanced technologies, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- our ability to expand our dealers network;
- our ability to create demand for our new range of cables & wires
- our ability to maintain the quality of our products;
- our ability to enhance our brand value;
- our ability to increase our geographic presence and explore international presence;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We also plan to enhance and develop our existing brand in India. By focusing further resources, including management time and effort, distribution and sales network and brand management on developing our brand, we will be diverting our resources from our established business of manufacturing. We may not be successful in developing our brand image as we intend to.

While we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategies could have a material adverse effect on our business, financial condition and profitability.

**32. *An inability to address changing industry standards and consumer trends may adversely affect our business, results of operations and financial condition.***

The future success of our business will depend in part on our ability to respond to technological advances, consumer preferences and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such new technology entails technical and business risks. We may have to incur substantial capital investment to upgrade our equipment and manufacturing facilities. While we continue to invest in various product development initiatives, adopt enhanced technologies and processes for the development of new products,

we are subject to general risks associated with introduction and implementation of new products including the lack of market acceptance and delays in product development. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Any rapid change in the expectations of our customers, dealers and end customers in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition.

**33. *We are exposed to counterparty risks in our contracts and the ability of our counter parties to perform such contracts is dependent on, among other things, economic conditions that are beyond our control.***

We have entered into a number of contractual arrangements including, but not limited to, sales contracts, dealer contracts and purchase contracts with our suppliers. Our business, operation and financial performance are dependent on, among other things, whether such contracts will be performed by the relevant counterparties. We cannot assure you that these contracts will be fully performed by our counterparties, or at all. If our counterparties do not fully perform their obligations under the relevant contracts, our business, financial condition, results of operations and cash flows could be adversely affected. In particular, for some of our sales contracts, dealer contracts, whether the relevant estimated indicative sales figures can be achieved will depend on a number of variables, such as the economic environment, the prevailing pricing of our products and the actual order quantity our customers receive, many of which are beyond our control. If the estimated indicative sale figures cannot be achieved, our business, profitability, financial condition, results of operations and cash flows could be adversely affected.

**34. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**35. *Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.***

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous Waste Management & Handling Rules, 2008
- Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Uttarakhand.

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.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

Further our expansion plans remain subject to the potential problems and uncertainties that manufacturing projects face. Problems that could adversely affect our expansion plans include the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, environment and ecology costs and other external factors which may not be within the control of our management. Any inordinate delay or refusal in obtaining the necessary licenses/approvals from any government authorities may even lead to closure of our business.

**36. *Our manufacturing facilities are concentrated in a single region and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

Our manufacturing facilities are located at Haridwar, Uttarakhand. Further our new manufacturing facility is also proposed to be set-up at Uttarakhand. Though we are located at the plain landscapes of Uttarakhand, the state is known for its climate sensitive nature with instances of many floods in the past and more recently glacier outbreak in other regions of the state. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**37. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. The total amounts outstanding and payable by us as secured loans were ₹ 5,062.77 lakhs as on December 31, 2020. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information, please refer chapter titled “*Financial Indebtedness*” on page 165 of this Prospectus.

**38. *Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.***

We have entered into agreements for short term and long term borrowings with certain lenders. As on December 31, 2020 an aggregate of ₹ 4019.32 lakhs as short term loans and ₹ 1,043.45 lakhs as long term loans was outstanding towards loans availed from banks and financial institutions. The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and personal guarantees given by our Individual Promoters and group companies. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like entering into any amalgamation, demerger, merger and corporate reconstruction, changing our management and operating structure, making any fresh borrowings or creating fresh charges on assets, etc. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lending banks refuse to renew / enhance the credit facilities and/or cancels / suspends / reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected.

- 39. *We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facilities for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

- 40. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Further, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

- 41. *Reliance has been placed on declarations and affidavits furnished by certain of our Directors for details of their profiles included in this Prospectus***

Our Managing Director, Mr. Vikas Garg, our Whole-time Director Mr. Sandeep Srivastava and our Non-Executive Director, Mrs. Meenakshi Garg have been unable to trace copies of certain documents pertaining to their educational qualifications. While the aforementioned Directors have taken the requisite steps to obtain the relevant supporting documentation, including by making written requests and applications to their respective educational institutions, they have been unsuccessful in procuring the relevant supporting documentation.

Accordingly, the Book Running Lead Manager have placed reliance on declarations, undertakings and affidavits furnished by these Directors to disclose details of their educational qualifications in this Prospectus and we have not been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that such Directors will be able to trace the relevant documents pertaining to their educational qualifications in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the educational qualifications of certain of our Directors included in “*Our Management*” on page 128 are complete, true and accurate.

- 42. *Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity of our facilities included in this Prospectus are based on various assumptions and estimates of our management that have been taken into account by our statutory auditor in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of wires & cables industry after examining the equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For further information, see “*Our Business - Capacity and Capacity Utilization*” on page 102. Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or

historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other wires & cables companies. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Prospectus.

**43. *Under-utilization of our existing or proposed manufacturing capacities could have an adverse effect on our business and results of operations.***

Our revenues and profits are dependent on our ability to optimise and maximise our capacity utilisation. For the nine months ended December 31, 2020 and fiscal 2020, 2019 and 2018, the capacity utilisation of our Unit I was 39.18%, 41.30%, 52.18% and 46.51%. Further, we capitalized plant and machinery of Unit II in August, 2020. Hence, details of capacity utilization is not given. We also propose to set up a new manufacturing facility with an installed capacity of 11,520 km p.a. For details refer the chapter titled, “*Objects of the Issue*” on page 69. If we are unable to ensure optimal utilisation of our manufacturing capacities, we may be unable to produce our products in the required quantities and enjoy benefits of economies of scale, which could have an adverse effect on our business and results of operations.

**44. *Our Promoters and members of the Promoter Group have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoters and members of the Promoter Group have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative 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 may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**45. *Our Promoters have interests in our Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.***

Our Promoters may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them, their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company, and to the extent of sitting fee payable to them for attending each of our Board and Committee meetings. Further, our Promoters are also shareholders and directors on the boards of our Group Companies and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. Therefore, some of the above interests may conflict with the duties of these persons as Promoters / Directors of the Company. For further details, please see the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on pages 128 and 140, respectively of this Prospectus.

**46. *Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others: (i) insurance policy covering fire, damage to buildings, plant and machinery, furniture and stocks (raw materials and finished goods), vehicles (ii) Burglary insurance policy and (iii) group personal accident and health insurance policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

- 47. *V-Marc Electrical Private Limited, one of our Group Companies and Royal Cable Industries, one of our member of the Promoter Group is engaged in activities which is similar to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.***

One of our Group Companies, V-Marc Electrical Private Limited has some of the objects similar to that of our Company's business and could offer products that are related to the business of our Company. As on the date of the Prospectus, the said Group Company is majorly engaged in activities which serve as a backward integration for our business as well as in sales of wires & cables. Further one of our member of the Promoter Group, Royal Cable Industries is also dealing in wires and cables. Thus in future conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company and member of promoter group in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other companies or ventures in which our Promoter has 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.

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

Our Company has entered into various transactions with our Promoter, Promoter Group, Directors and their relatives. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter "Related Party Transactions" beginning on page 146 of the Prospectus.

- 49. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

- 50. *Industry information included in this Prospectus has been derived from industry reports and annual reports of various listed players of our industry. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

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

- 51. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further 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 capital requirements for the objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, 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 capital 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 delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 69 of this Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 147 of this Prospectus.

- 53. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.***

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled “*Objects of the Issue*” on page 69. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

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

- 54. *Within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 69 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use the Net Proceeds for the purposes described in “*Objects of the Issue*” beginning on page 69. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as the continuing impact of the COVID-19 pandemic, interest or exchange rate fluctuations, increase in input costs, labour costs, logistics and transport costs, taxes and duties, regulatory costs, environmental factors and other external factors. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.



Further the deployment of the Net Proceeds will be at the discretion of our Board. Accordingly, within the parameters as mentioned in the chapter titled ‘*Objects of the Issue*’ beginning on page 69 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Further in accordance with section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**55. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own 69.96% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

**57. *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 and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

***Issue Specific Risks***

**58. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by book building method. The price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 80 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income

and revenues;

- changes in revenue or earnings estimates or publication of research reports by analysts;
- results of operations that vary from those of our competitors;
- speculation in the press or investment community;
- new laws and governmental regulations applicable to our industry;
- future sales of the Equity Shares by our shareholders;
- general market conditions; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

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

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters' in our Company and built-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "*Capital Structure*" on page 59 of this Prospectus.

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

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

**61. *Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.***

The Equity Shares would be quoted in Rupees on the Emerge Platform of NSE Limited. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized in excess of ₹ 1,00,000/- on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates in case STT was paid on the sale transaction. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**63. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

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

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

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

**66. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**67. *There is no guarantee that our Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited in a timely manner or at all.***

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

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

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

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

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

**External Risk Factors**

**69. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**70. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**71. *Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on 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. For further details, see "Restrictions on Foreign Ownership of Indian Securities" on page 394. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

**72. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign ratings have recently been downgraded. For instance, our credit rating was downgraded by Moody's from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook and by Fitch from BBB- with a "stable" outlook to BBB- with a "negative" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**73. *The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition. Hostilities, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural or man-made disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

**74. *Significant differences exist between Indian GAAP and other accounting principles, such as Ind AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus.***

As stated in the reports of the Auditor included in this Prospectus under chapter "Financial Statements" beginning

on page 148 the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and Ind AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

**75. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, financial condition and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.. For instance, The Finance Act, 2020 (“Finance Act”), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax (“DDT”), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchange will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company’s business and operations.

Further, the Government of India has announced the union budget for Fiscal 2022, which is yet to be notified. As such, there is no certainty on the impact that the proposed Finance Act, 2021 may have on our business and operations or on the industry in which we operate.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

**76. *Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. All our Company’s Directors and officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect

service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

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

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could impact our business, our future financial performance and the prices of the Equity Shares.

**SECTION IV – INTRODUCTION**  
**SUMMARY OF FINANCIAL INFORMATION**

<b>Sr. No.</b>	<b>Details</b>	<b>Page. No.</b>
1	Summary of Restated Financial Statements	A-1 to A-3



**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**CIN-U31908UR2014PLC001066**  
**Restated Statement of Assets & Liabilities**

*Amount in Lacs.*

PARTICULARS	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>I Equity &amp; Liabilities:-</b>				
<b>1) Shareholder's Funds</b>				
(a) Share Capital	1,594.57	1,594.57	1,594.57	1,424.57
(b) Reserves and Surplus	2,224.35	1,822.77	1,358.18	869.22
	<b>3,818.92</b>	<b>3,417.34</b>	<b>2,952.74</b>	<b>2,293.79</b>
<b>2) Share Application Money pending Allotment</b>	-	-	-	-
<b>3) Non-Current Liabilities</b>				
(a) Long Term Borrowings	790.85	471.23	267.98	98.99
(b) Deferred Tax Liabilities (Net)				
(c) Other Long Term Liabilities	63.81	125.06	45.85	18.18
(d) Long Term Provisions	61.85	60.55	45.75	40.45
	<b>916.51</b>	<b>656.84</b>	<b>359.58</b>	<b>157.62</b>
<b>4) Current Liabilities</b>				
(a) Short Term Borrowings	4,019.32	3,875.60	3,317.09	3,538.05
(b) Trade Payables	3,273.67	4,470.47	3,943.42	2,004.14
(c) Other Current Liabilities	622.37	372.75	503.36	543.50
(d) Short Term Provisions	311.27	175.33	198.76	106.09
	<b>8,226.62</b>	<b>8,894.14</b>	<b>7,962.63</b>	<b>6,191.79</b>
<b>Total Rs</b>	<b>12,962.05</b>	<b>12,968.32</b>	<b>11,274.96</b>	<b>8,643.20</b>
<b>II.Assets</b>				
<b>1) Non-Current Assets</b>				
(a) Property Plant & Equipments				
(i) Tangible Assets	1,915.29	1,002.92	737.42	800.40
(ii) Intangible Assets	-	-	-	-
(iii) Capital work-in-progress	146.60	1,035.85	599.21	80.19
(iv) Intangible assets under development	-	-	-	-
(b) Non-current Investments	-	-	-	-
(c) Deferred Tax Assets (Net)	25.44	31.83	26.42	24.21
(d) Long Term Loan & Advances	29.23	24.70	207.41	33.49
(e) Other Non-current Assets	153.59	152.90	125.65	18.32
	<b>2,270.14</b>	<b>2,248.19</b>	<b>1,696.11</b>	<b>956.62</b>
<b>2) Current Assets</b>				
(a) Current Investments				
(b) Inventories	5,516.90	4,193.16	3,088.21	3,261.69
(c) Trade Receivables	4,106.78	5,629.74	5,540.67	3,507.49
(d) Cash and Cash Equivalents	26.28	106.19	8.07	15.38
(e) Short-term Loans and Advances	639.76	662.33	620.33	391.56
(f) Other Current Assets	402.20	128.71	321.57	510.46
	<b>10,691.92</b>	<b>10,720.13</b>	<b>9,578.85</b>	<b>7,686.58</b>
<b>Total Rs.</b>	<b>12,962.05</b>	<b>12,968.32</b>	<b>11,274.96</b>	<b>8,643.20</b>

**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**CIN-U31908UR2014PLC001066**  
**Restated Statement of Profit & Loss**

*Amount in Lacs*

PARTICULARS	For the Year Ended			
	December 31,2020	March 31,2020	March 31,2019	March 31,2018
I Revenue from Operations	13,036.40	17,124.94	20,495.00	14,350.93
II. Other Income	26.16	39.50	30.61	0.38
<b>III Total Revenue (I+II)</b>	<b>13,062.57</b>	<b>17,164.44</b>	<b>20,525.61</b>	<b>14,351.31</b>
<b>IV Expenses:</b>				
Cost of Raw Materials Consumed	11,383.08	14,476.81	16,713.69	13,654.60
Changes in inventories of FG, WIP and Stock-in-Trade	(829.71)	(1,050.04)	344.91	(1,429.30)
Employee benefit expenses	509.76	904.22	762.37	561.51
Financial costs	397.39	601.46	524.86	520.11
Depreciation and amortization expenses	121.12	100.82	111.12	100.48
Other Expenses	942.44	1,489.00	1,358.01	577.95
<b>Total Expenses (IV)</b>	<b>12,524.07</b>	<b>16,522.28</b>	<b>19,814.96</b>	<b>13,985.34</b>
V Profit before exceptional and extraordinary items and tax (III-IV)	538.49	642.16	710.65	365.96
VI Exceptional Items	-	-	-	-
VII Profit before extraordinary items and tax (V-VI)	538.49	642.16	710.65	365.96
VIII Extraordinary Items	-	-	-	-
IX Profit before tax (VII-VIII)	<b>538.49</b>	<b>642.16</b>	<b>710.65</b>	<b>365.96</b>
X Tax Expenses				
(i) Current Taxes	130.52	182.98	223.91	145.07
(ii) Deferred Tax	6.39	(5.41)	(2.21)	(2.77)
XI Profit(Loss) for the period from continuing operations (IX-X)	<b>401.58</b>	<b>464.60</b>	<b>488.95</b>	<b>223.66</b>
XII Profit(Loss) from the period from discontinuing operations				
XIII Tax Expense of discontinuing operations				
XIV Profit(Loss) from the period from discontinuing operations after Tax (XII-XIII)				
<b>XV Profit/(Loss) for the period (XI+XIV)</b>	<b>401.58</b>	<b>464.60</b>	<b>488.95</b>	<b>223.66</b>
XVI- Earning per Equity Share				
Basic	2.52	2.91	3.07	1.57
Diluted	2.52	2.91	3.36	1.57

**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**CIN-U31908UR2014PLC001066**  
**Restated Statement of Cash Flow**

*Amount in Lacs*

Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Cash Flow from Operating Activities</b>				
Profit/(Loss) Before Extraordinary Losses & Tax	538.49	642.16	710.65	365.96
<b>Adjustment for</b>				
Depreciation	121	101	111	100
Finance Cost	325	451	397	387
Non Operating Income	(26)	(38)	(30)	-
Prior Period Adjustments	-	-	-	(73)
<b>Operating cash flow before working capital changes</b>	<b>958.88</b>	<b>1,156.01</b>	<b>1,189.19</b>	<b>779.76</b>
Decrease(Increase) in Other Current Assets				
Inventories	(1,323.74)	(1,104.95)	173.48	(1,207.38)
Trade Receivables	1,522.96	(89.07)	(2,033.18)	(535.07)
Short Loans & Advances	22.57	(42.00)	(228.77)	(10.30)
Other Current Assets	(273.49)	192.86	188.89	224.57
Other Non Current Assets	(0.69)	(27.25)	(107.33)	0.29
(Decrease)Increase in Current Liabilities/Non Current Liability				
Trade Payables	(1,196.79)	527.05	1,939.28	244.05
Other Current Liabilities	249.62	(130.62)	(40.14)	418.47
Short term Provisions	135.93	(23.43)	92.67	(10.25)
Short term borrowings	143.72	558.51	(220.96)	708.64
Other Long term Liability	(61.25)	79.21	27.66	(27.52)
Other Long term Provisions	1.31	14.80	5.30	40.45
	(780)	(44.89)	(203.10)	(154.05)
Cash flow from Extraordinary items	-	-	-	-
<b>Cash generated from operations</b>	<b>179.03</b>	<b>1,111.12</b>	<b>986.10</b>	<b>625.71</b>
Income Tax Paid	130.52	182.98	223.91	145.07
<b>Cash Flow from Operating activities (A)</b>	<b>48.51</b>	<b>928.14</b>	<b>762.19</b>	<b>480.63</b>
				-
<b><u>Cash Flow from Investing activities:-</u></b>				-
Non-Operating Income	25.71	38.23	29.83	-
Purchase of Fixed Assets	(145.47)	(802.96)	(567.16)	(101.70)
Decrease in Depreciation Reserve	-	-	-	-
Sale/(Purchase) of Property Plant & Equipment	1.23	-	-	-
Increase/(Decrease) in Long Term Loan & Advances	(4.53)	182.71	(173.91)	(26.71)
Increase in Non Current Investment/Assets	-	-	-	-
<b>Net Cash from Investing activities (B)</b>	<b>(123.05)</b>	<b>(582.02)</b>	<b>(711.24)</b>	<b>(128.41)</b>
				-
<b><u>Cash Flow from Financing activities:-</u></b>				-
Proceeds from Share Application Money	-	-	-	-
Proceeds from Share Capital	-	-	170.00	-
Proceeds/(Repayment) from/to Long term borrowings (Net)	319.62	203.25	168.99	45.24
Proceeds from security Premium	-	-	-	-
Finance Cost	(324.98)	(451.25)	(397.25)	(386.70)
<b>Net Cash Flow from Financing activities (C)</b>	<b>(5.37)</b>	<b>(248.01)</b>	<b>(58.26)</b>	<b>(341.46)</b>
				-
<b>Net Increase in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>(79.91)</b>	<b>98.12</b>	<b>(7.31)</b>	<b>10.76</b>
				-
<b>Cash &amp; Cash Equivalents (Refer Note 20)</b>				-
- At the beginning of the year	106.19	8.07	15.38	4.62
				-
- At the end of the year	<b>26.28</b>	<b>106.19</b>	<b>8.07</b>	<b>15.38</b>

## THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company <sup>(1)</sup>	Issue of up to 60,00,000* Equity Shares of face value of ₹ 10/- each fully paid up of the Company for cash at a price of ₹ 39/- per Equity share aggregating ₹ 2,340.00 lakhs <sup>(2)</sup>
<b>Consisting of:</b>	
Market Maker Reservation Portion	3,00,000 Equity Shares of face value of ₹ 10/- each fully paid up of the Company for cash at a price of ₹ 39 /- per Equity share aggregating ₹ 117.00 lakhs.
Net Issue to the Public	Up to 57,00,000 Equity Shares of face value of ₹ 10/- each fully paid of the Company for cash at a price of ₹ 39 /- per share aggregating ₹ 2,223.00 lakhs.
<b>Of Which</b>	
<b>A. QIB Portion</b> <sup>(3) (4)</sup>	No shares shall be reserved for allocation to QIBs. **
<b>B. Retail Portion</b> <sup>(3) (4)</sup>	28,50,000 Equity Shares of face value of ₹ 10/- each fully paid of the Company at a cash price of ₹ 39/- per Equity share aggregating ₹ 1,111.50 lakhs were available for allocation to Investors applying with application value of up to ₹ 2.00 lakhs
<b>C. Non-Institutional Portion</b> <sup>(3) (4)</sup>	28,50,000 Equity Shares of face value of ₹ 10/- each fully paid of the Company for cash at price of ₹ 39/- per Equity Share aggregating ₹ 1,111.50 lakhs were available for allocation to Investors applying with application value of above ₹ 2.00 lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,67,85,696 Equity Shares of face value of Rs.10/- each.
Equity Shares outstanding after the Issue	Upto 2,27,85,696 Equity Shares of face value of Rs.10/- each.
Utilization of proceeds of this Issue	For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 69 of this Prospectus for information on use of Issue Proceeds.

\*Number of shares may need to be adjusted for lot size upon determination of issue price.

\*\*There are no equity shares reserved for allocation to QIB Portion. However, QIBs can apply in the Non-Institutional Portion.

### Notes:-

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 04, 2021 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on February 05, 2021.
- 3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, wherein not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs. Further not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see “Issue Procedure” beginning on page 193 of this Prospectus.
- 4) In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

For further details please refer to section titled ‘Issue Information’ beginning on page 185 of this Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as Asian Galaxy Private Limited at Haridwar, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated March 04, 2014 issued by the Registrar of Companies, Uttarakhand bearing Corporate Identification Number U31908UR2014PTC001066. Subsequently, our Company acquired business of partnership firm namely “M/s Asian Wire & Cable Industries” pursuant to an acquisition deed dated March 10, 2014 to carry on the business of Manufacturing and Trading of PVC Insulated Wires and Cable etc. The said partnership firm was initially formed pursuant to partnership deed dated February 16, 2006 and was amended from time to time. The initial subscribers to the MOA were also the partners in the said partnership firm. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on January 12, 2021, the name of our Company was changed to “V-Marc India Private Limited” and a fresh Certificate of Incorporation pursuant to change of name dated February 03, 2021 has been issued by Registrar of Companies, Uttarakhand. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed by the shareholders of the Company at the extra-ordinary general meeting of our Company held on February 02, 2021 consequent to which the name of our Company was changed to “V-Marc India Limited” vide a fresh Certificate of Incorporation dated February 04, 2021 issued by the Registrar of Companies, Uttarakhand. The Corporate Identification Number of our Company is U31908UR2014PLC001066.

For details of Incorporation, Change of Name and Change in Registered Office of our Company, please refer to chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 125 of this Prospectus.

### REGISTERED & CORPORATE OFFICE OF OUR COMPANY

#### V-Marc India Limited

Plot No. 3, 4, 18, 20A, Sector IIDC,  
SIDCUL Haridwar,  
Uttarakhand-249403.

**Tel:** +91 1334-239638

**Email:** [investor@v-marc.in](mailto:investor@v-marc.in)

**Website:** [www.v-marc.com](http://www.v-marc.com)

**Corporate Identification Number:** U31908UR2014PLC001066

### REGISTRAR OF COMPANIES

#### REGISTRAR OF COMPANIES, UTTARAKHAND

Office no. 259, Mezzanine floor 78, Rajpur road,  
Shri Radha Palace Dehradun,  
The Mall, 248001, Uttarakhand, India

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

### DESIGNATED STOCK EXCHANGE

#### National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block,  
Bandra - Kurla Complex, Bandra (E),  
Mumbai - 400051, Maharashtra, India.

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

### BOARD OF DIRECTORS OF OUR COMPANY

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

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1.	Vikas Garg	42	05268238	N-327, Phase-3, Shivalik Nagar, N, P.O. Bhel, Sector 2, Haridwar – Uttarakhand - 249403	Chairman & Managing Director
2.	Meenakshi Garg	39	05268233	N-327, Phase-3, Shivalik Nagar, Near Chatori Gali Hotel, Ranipur Range Bhel, Haridwar – Uttarakhand – 249403	Non-Executive director

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
3.	Sandeep Kumar Srivastava	43	08685957	M-45, Phase -3, Shivlok Colony, PO Ranipur, Haridwar, 249403, Uttarakhand, India.	Whole Time Director
4.	Raj Kumar Pandey	47	08639710	Plot No.15, Indra Lok Colony, Jagjeetpur, Kankhal, Haridwar, Haridwar, Uttarakhand – 249408.	Independent Director (Additional)
5.	Mukesh Bansal	47	02852531	2nd a 124, Nehru Nagar Ghaziabad, Uttar Pradesh – 201001.	Independent Director (Additional)

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 128 of this Prospectus.

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

##### **Kanchan Gupta**

Plot No. 3, 4, 18, 20A, Sector IIDC,  
SIDCUL, Haridwar,  
Uttarakhand-249403.

**Tel:** +91 1334-239638

**Email:** cs@v-marc.in

**Website:** [www.v-marc.com](http://www.v-marc.com)

**Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode. For all the issue related queries and for redressal of complaints, Bidders may also write to the Book Running Lead Manager or the Registrar in the following manner:**

All Issue related grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder’s DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs bidding through the UPI Mechanism.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

#### **BOOK RUNNING LEAD MANAGER**

##### **PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400051, Maharashtra, India

**Tel:** +91 22 6194 6700

**Fax:** + 91 22 2659 8690

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

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

**Contact Person:** Kruthika Shetty

**SEBI Registration No:** INM000012110

#### **REGISTRAR TO THE ISSUE**

##### **BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai- 400059, Maharashtra, India

**Tel:** +91 22 62638200

**Fax:** +91 22 62638299

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

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

**Contact Person:** Babu Raphael

**SEBI Registration Number:** INR000001385

**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

#### **LEGAL ADVISOR TO THE ISSUE**

##### **M V KINI, LAW FIRM**

Kini House, Near Citi Bank, D.N. Road,  
Fort, Mumbai - 400001, Maharashtra, India

**Tel:** +91 22 6666 6577/78/79

**Fax:** +91 22 22612531

**E-mail:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)

**Contact Person:** Vidisha Krishan

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

#### **BANKER TO THE COMPANY**

##### **Punjab National Bank**

**Corporate Office:** Plot No. 4, Sector -10, Dwarka, New  
Delhi- 110075

**Tel:** +91 11 26102303

**Fax:** NA

**E-mail:** NA

**Contact Person:** Shivendra Pratap Singh

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

##### **ICICI Bank Limited**

**Address:** 7C, Awasthi Vikas, First Floor, New Delhi, road,  
Haridwar – 249407

**Tel:-** +91 8527095678

**Fax:-** NA

**Email:-** [sachin.mehra@icicibank.com](mailto:sachin.mehra@icicibank.com)

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

**Contact Person:** Sachin Mehra

#### **STATUTORY AUDITOR**

##### **M/s. Rajeev Singal & Co., Chartered Accountants**

175, Dwarkapuri, Main Road, Opp.  
Shiv Mandir, First Floor, Muzaffarnagar - 251001

**Tel:** 0131-2970053

**Email:** [singhalrk2012@gmail.com](mailto:singhalrk2012@gmail.com)

**Contact Person:** Mr. Rajeev Kumar Singhal

**Firm Registration No.:** 008692C

**Peer Review Number:** 009992

M/s. Rajeev Singal & Co., Chartered Accountants holds a peer review certificate dated May 18, 2017 issued by the Institute of Chartered Accountants of India.

#### **PUBLIC ISSUE BANK/ BANKER TO THE ISSUE AND REFUND BANKER & SPONSOR BANK**

##### **ICICI Bank Limited**

Capital Market Division, 1st Floor,  
122, Mistry Bhavan, Dinshaw Vachha Road,  
Backbay Reclamation, Churchgate,  
Mumbai – 400020

**Tel:** 022- 66818911/23/24

**Fax:** 022- 22611138

**E-mail:** kmr.saurabh@icicibank.com  
**Contact Person:** Saurabh Kumar  
**Website:** www.icicibank.com  
**SEBI Registration Number:** INBI00000004

#### **SYNDICATE MEMBER**

**Pentagon Stock Brokers Private Limited** (formerly known as Pantomath Stock Brokers Private Limited)

**Address:** 108, Madhava Premises,

Behind Family Court,

Bandra Kurla Complex,

Bandra East, Mumbai 400051

**Tel:** +91 22 42577000

**Email:** subhash.vishwakarma@pentagonbroking.com

**Website:** www.pantomathbroking.com

**Contact Person:** Subhash Vishwakarma

**SEBI Registration Number:** INZ000068338

#### **DESIGNATED INTERMEDIARIES**

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

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

##### **Investors Banks or Issuer Bank for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

##### **Registered Brokers**

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

##### **Registrar to Issue and Share Transfer Agents**

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

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

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries was available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

#### **CREDIT RATING**

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

#### **IPO GRADING**



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

#### **APPRAISAL AND MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 Lakhs. Since the issue size is only of ₹ 2,340.00 lakhs, our Company has not appointed any monitoring agency for this issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue. Further, our Company has not appointed any appraisal agency for this issue.

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

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

#### **EXPERT OPINION**

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

Report of the Auditor M/s. Rajeev Singal & Co., Chartered Accountants, on statement of tax benefits and report on restated financials for the financial years ended March 31, 2020, 2019 and 2018 and for the period ended December 31, 2020 as included in this Prospectus.

#### **DEBENTURE TRUSTEE**

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

#### **FILING OF OFFER DOCUMENT**

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

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered to the Registrar of Companies situated at Office no. 259, Mezzanine floor 78, Rajpur road, Shri Radha Palace Dehradun, The Mall, 248001, Uttarakhand, India and a copy of this Prospectus to be filed under Section 26 of the Companies Act 2013 would be filed with the RoC at its office.

#### **BOOK BUILDING PROCESS**

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, Business Standard, all editions of a widely circulated Hindi Newspaper, Business Standard and Haridwar edition of widely circulated Dainik Hawk Newspaper, Hindi being the regional language of Haridwar, where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters;
- The Registrar to the Issue
- The Escrow Collection Banks/ Bankers to the Issue;
- The Sponsor Bank(s);

- The Designated Intermediaries

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

For details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 193 of this Prospectus.

**Illustration of Book Building and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the issue) Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20.00 to ₹ 24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22/- in the above example. The Issuer in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

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

1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 193. of this Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

#### **BID / ISSUE PROGRAMME**

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opening Date	Thursday, March 25, 2021
Bid/Issue Closing Date	Wednesday, March 31, 2021
Finalization of Basis of Allotment with the Designated Stock Exchange	Tuesday, April 06, 2021
Initiation of Refunds / Unblocking of ASBA accounts	On or before Wednesday, April 07, 2021
Credit of Equity Shares to Demat Accounts of Allottees	On or before Thursday, April 08, 2021

<b>Event</b>	<b>Indicative Date</b>
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Friday, April 09, 2021

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchange. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids were accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non-Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof. If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the Pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs or Sponsor Bank to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus.

#### **UNDERWRITER**

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated March 04, 2021 and pursuant to the terms of the underwriting agreement; obligations of the underwriter is subject to certain conditions specified therein. The underwriter have indicated their intention to underwrite following number of specified securities being offered through this Issue.

<b>Name and Address of the Underwriter</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (Rupees in Lakhs)</b>	<b>% of the Total issue size Underwritten</b>
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East) Mumbai 400051, Maharashtra, India	Upto 60,00,000	2,340.00	100.00

<b>Tel:</b> +91 22 6194 6700 <b>Fax:</b> + 91 22 2659 8690 <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Website:</b> <a href="http://www.pantomathgroup.com">www.pantomathgroup.com</a> <b>Contact Person:</b> Kruthika Shetty <b>SEBI Registration No:</b> INM000012110			
<b>Total</b>	<b>Upto 60,00,000</b>	<b>2,340.00</b>	<b>100.00</b>

*\*Includes 3,00,000 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.*

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

#### **CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS**

Except as disclosed below, there has been no change in the Statutory Auditors of the Company during last three financial years preceding the date of this Prospectus:

<b>Name of Auditors</b>	<b>Date of Change</b>	<b>Reason of Change</b>
APV and Associates	January 22, 2021	Resignation of APV AND Associates as our Statutory Auditor of the Company due to pre-occupation in other professional assignments
Rajeev Singal & Co.	January 22, 2021	Appointment of Rajeev Singal & Co. as our Statutory Auditor of the Company in place of APV AND Associates

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT**

Our Company and the Book Running Lead Manager have entered into an agreement dated March 04, 2021, with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making.

Pentagon Stock Brokers Private Limited (formerly known as Pantomath Stock Brokers Private Limited)

**Address:** 108, Madhava Premises,

Behind Family Court,

Bandra Kurla Complex,

Bandra East, Mumbai 400051

**Tel:** +91 22 42577000

**Email:** [subhash.vishwakarma@pentagonbroking.com](mailto:subhash.vishwakarma@pentagonbroking.com)

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

**Contact Person:** Subhash Vishwakarma

SEBI Registration Number: INZ000068338

Pentagon Stock Brokers Private Limited, registered with EMERGE platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

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

1. The Market Maker (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange from time to time and the same shall be updated in Prospectus. Further, the Market Maker shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to Issue their holding to the Market Maker (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of 39/- the minimum lot size is 3000 Equity Shares thus minimum depth of the quote shall be ₹ 1,17,000/- until the same, would be revised by National Stock Exchange of India Limited.
4. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 3,00,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
5. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
7. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pentagon Stock Brokers Private Limited is acting as the sole Market Maker.
8. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the Stock Exchange.
9. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
10. 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 ₹ 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

11. 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.

12. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker 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.

13. EMERGE platform of National Stock Exchange of India Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
14. National Stock Exchange of India Limited 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.

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

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / National Stock Exchange of India Limited from time to time.

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

## CAPITAL STRUCTURE

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

*Amount (in ₹, except share data)*

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price*
<b>A.</b>	<b>Authorised Share Capital<sup>(1)</sup></b>		
	2,50,00,000 Equity Shares of face value of ₹ 10/- each	25,00,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,67,85,696 Equity Shares of face value of ₹ 10/- each <sup>(2)</sup>	16,78,56,960	-
<b>C.</b>	<b>Present Issue in terms of the Red Herring Prospectus</b>		
	Issue of upto 60,00,000 Equity Shares of face value of ₹ 10/- each at a price of ₹ 39/- per Equity Share <sup>(2) (3)</sup>	6,00,00,000	23,40,00,000
	<i>Consisting of:</i>		
	<b>Reservation for Market Maker</b> – 3,00,000 Equity Shares of face value of ₹ 10/- each reserved as Market Maker portion at a price of ₹ 39/- per Equity Share	30,00,000	1,17,00,000
	<b>Net Issue to the Public</b> – Upto 57,00,000 Equity Shares of face value of ₹ 10/- each at a price of ₹ 39/- per Equity Share	5,70,00,000	22,23,00,000
<b>D.</b>	<b>Issued, Subscribed And Paid-Up Share Capital After the Issue</b>		
	Upto 2,27,85,696 Equity Shares of face value of ₹ 10/- each	22,78,56,960	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue (in ₹ lakhs)		2,43,60,000
	After the Issue (in ₹ lakhs)		19,83,60,000

\*To be included upon finalisation of the Issue Price.

(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see “History and Certain Corporate Matters - Amendments to our Memorandum of Association” on page 125.

(2) The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs (“Pre IPO Placement). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly.

(3) The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on February 04, 2021 and by the shareholders of our Company vide special resolution passed at its Extra-Ordinary General Meeting held on February 05, 2021 pursuant to section 62(1)(c) of Companies Act, 2013.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. History of Equity Share capital of our Company

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

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Share capital(₹)
March 04, 2014	50,000	10	10	Cash	Initial subscription to the MOA <sup>(1)</sup>	50,000	5,00,000
March 10, 2014	1,15,95,696	10	N.A.	Other than Cash	On acquisition of business of partnership firm M/s. Asian Wire	1,16,45,696	11,64,56,960

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Share capital(₹)
					& Cable Industries (2)		
March 31, 2015	26,00,000	10	10	Cash	Rights Issue <sup>(3)</sup>	1,42,45,696	14,24,56,960
October 19, 2018	7,00,000	10	10	Cash	Rights Issue <sup>(4)</sup>	1,49,45,696	14,94,56,960
March 31, 2019	10,00,000	10	10	Cash	Rights Issue <sup>(5)</sup>	1,59,45,696	15,94,56,960
March 15, 2021	8,40,000	10	39	Cash	Private Placement <sup>(6)</sup>	1,67,85,696	16,78,56,960

- (1) Initial subscribers to Memorandum of Association subscribed 50,000 Equity Shares of face value of ₹ 10/- each fully paid at par as per the details given below:

Sr. No.	Name of Subscriber	No. of Shares Subscribed
1.	Vikas Garg	39,500
2.	Meenakshi Garg	10,500
	<b>Total</b>	<b>50,000</b>

- (2) Issue of 1,15,95,696 Equity Shares against acquisition of business of partnership firm M/s. Asian Wire & Cable Industries by our company of face value of ₹10/- each fully paid at par as per the details given below:

Sr. No.	Name of Subscriber	No. of Shares Subscribed
1.	Vikas Garg	91,60,600
2.	Meenakshi Garg	24,35,096
	<b>Total</b>	<b>1,15,95,696</b>

- (3) Rights Issue of 26,00,000 Equity Shares of face value of ₹10/- each fully paid at par as per the details given below:

Sr. No.	Name of Subscriber	No. of Shares Subscribed
1.	Vikas Garg	20,54,000
2.	Meenakshi Garg	5,46,000
	<b>Total</b>	<b>26,00,000</b>

- (4) Rights Issue of 7,00,000 Equity Shares of face value of ₹10/- each fully paid at par on October 19, 2018 as per the details given below:

Sr. No.	Name of Subscriber	No. of Shares Subscribed
1.	Vikas Garg	5,53,000
2.	Meenakshi Garg	1,47,000
	<b>Total</b>	<b>7,00,000</b>

- (5) Rights Issue of 10,00,000 Equity Shares of face value of ₹10/- each fully paid at par as per the details given below:

Sr. No.	Name of Subscriber	No. of Shares Subscribed
1.	Vikas Garg	7,90,000
2.	Meenakshi Garg	2,10,000
	<b>Total</b>	<b>10,00,000</b>

- (6) Private Placement of 8,40,000 Equity Shares of face value of ₹ 10/- each fully paid at premium of ₹ 29/- each as per the details given below:

Sr. No.	Name of Subscriber	No. of Shares Subscribed
1.	Madhukar Chimanlal Sheth	8,40,000
	<b>Total</b>	<b>8,40,000</b>

2. Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash.



Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Benefits accrued to our company	Name of Allottees
March 10, 2014	1,15,95,696	10	10	Shares allotment pursuant to Acquisition of business of partnership firm M/s. Asian Wire & Cable Industries	Acquisition of business of partnership firm M/s. Asian Wire & Cable Industries	Vikas Garg Meenakshi Garg

3. As on the date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.
4. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
5. Our Company has not revalued its assets since incorporation and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our company has not issued any Equity Shares at a price lower than the Issue price within last one year from the date of this Prospectus.
7. As on the date of this Prospectus, our Company does not have any preference Share Capital.
8. **Build-up of Promoters' shareholding, Promoters' contribution and lock-in**
  - i. Built up of Promoter's Equity shareholdings:

As on the date of this Prospectus, our Promoters, Vikas Garg and Meenakshi Garg, hold 1,59,40,696 Equity Shares of our Company which is 94.97% of our Pre-Issue Paid-up Capital.

#### 1. Vikas Garg

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face value per Equity share (₹)	Issue/ Acquisition/ Transfer price per Equity Share (₹)	Nature of Consideration	Nature of transaction	% Pre-Issue shareholding	% Post-Issue shareholding
March 14, 2014	39,500	10	10	Cash	Initial subscription to MOA	0.24	0.17
March 10, 2014	91,60,600	10	NA	Other than Cash	Acquisition of business of partnership firm M/s. Asian Wire & Cable Industries	54.57	<b>40.20</b>
March 31, 2015	20,54,000	10	10	Cash	Rights Issue	12.24	9.01
October 19, 2018	5,53,000	10	10	Cash	Rights Issue	3.29	2.43
March 31, 2019	7,90,000	10	10	Cash	Rights Issue	4.71	3.47
January 25, 2021	(5,000)	10	41.20	Cash	Transfer	(0.03)	(0.02)
<b>Total</b>	<b>1,25,92,100</b>					<b>75.02</b>	<b>55.26</b>

## 2. Meenakshi Garg

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face value per Equity share (₹)	Issue/ Acquisition/ Transfer price per Equity Share (₹)	Nature of Consideration	Nature of transaction	% Pre-Issue shareholding	% Post-Issue shareholding
March 04, 2014	10,500	10	10	Cash	Initial subscription to MOA	0.06	0.05
March 10, 2014	24,35,096	10	NA	Other than Cash	Acquisition of business of partnership firm M/s. Asian Wire & Cable Industries	14.51	<b>10.69</b>
March 31, 2015	5,46,000	10	10	Cash	Rights Issue	3.25	2.40
October 19, 2018	1,47,000	10	10	Cash	Rights Issue	0.88	0.65
March 31, 2019	2,10,000	10	10	Cash	Rights Issue	1.25	0.92
<b>Total</b>	<b>33,48,596</b>					<b>19.95</b>	<b>14.70</b>

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/acquisition of such Equity Shares.

### ii. Details of Promoters Contribution locked in for three years:

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

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20% 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 Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ transfer/ made fully paid up	No. of Equity Shares Allotted/ Transferred	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Allotment	% of Post Issue shareholding	Lock in period
<b>Vikas Garg (A)</b>						
March 10, 2014	22,82,500	10	NA	On acquisition of business of partnership firm M/s. Asian Wire & Cable Industries	10.02	3 years
<b>Meenakshi Garg (B)</b>						
March 10, 2014	22,82,500	10	NA	On acquisition of business of partnership firm M/s. Asian Wire & Cable Industries	10.02	3 Years
<b>Total (A+ B)</b>	<b>45,65,000</b>				<b>20.04</b>	<b>3 Years</b>

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' Contribution in terms of Regulation 237 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- a. The Equity Shares Issued for minimum 20% Promoters' Contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- b. The minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Prospectus at a price lower than the Issue Price;
- c. No equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the Issue price.
- d. The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- e. All the equity shares of our Company held by the Promoters are in the process of dematerialization, and
- f. The Equity Shares offered for Promoter's Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's Contribution subject to lock-in.

iii. **Details of Share Capital locked in for one year**

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv. **Other requirements in respect of lock-in:**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 242(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

The Equity Shares held by our Promoters which are locked-in may be transferred to and amongst the Promoter Group entities or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the equity shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, along with the equity shares proposed to be transferred, provided that lock-in on such equity shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended and in compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of 20% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund, foreign venture capital investors, scheduled commercial banks, public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India.

9. Except as mentioned below, none of the members of the Promoter group, our Promoters, the Directors of our Company and their relatives have purchased or sold Equity shares during the period of six months immediately preceding the date of filing of this Prospectus.

Date of Allotment/transfer	Name of the Transferor	Name of Allottee/Transferee	Party Category	Number of Equity Shares Allotted/Transferred	Face Value	Issue Price/Transfer Price
January 25, 2021	Vikas Garg (Promoter)	Anuj Garg	Promoter Group	1,000	10	41.20
		Seema Garg	Public	1,000		
		Jai Kishorr Singhal	Public	1,000		
		Sanjeev Kumar Srivastava	Public	1,000		
		Madhu Srivastava	Public	1,000		

#### 10. Our Shareholding Pattern

The table below presents the shareholding pattern of our company

i. **Summary of shareholding pattern as on the date of this Prospectus:-**

C a t e g o r y	Category of Shareholder	N o. o f s h a r e h o l d e r s	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding and in convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares**		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			N o. (a)	As a % of total Shares held (b)	N o. (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 and Promoter Group	3	1,59,41,696	-	-	1,59,41,696	94.97%	1,59,41,696	94.97%	-	94.97%	-	-	-	-	1,59,41,696
B	Public	5	8,44,000	-	-	8,44,000	5.03%	4,000	5.03%	-	5.03%	-	-	-	-	<b>8,44,000</b>
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>1,67,85,696</b>	-	-	<b>1,67,85,696</b>	<b>100.00</b>	<b>1,67,85,696</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	-	-	<b>1,67,85,696</b>

\* As on the date of filing of this Prospectus 1 equity Share holds 1 vote.

\*\* All pre issue Equity Shares of our Company will be locked in as mentioned above prior to listing of Equity Shares on Emerge Platform of National stock Exchange of India Limited.

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of National Stock Exchange of India Limited before commencement of trading of such Equity Shares

11. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:

Sr. No.	Name of Shareholder	Pre-issue		Post issue	
		No of Equity Shares	% of Pre-issue Capital	No of Equity Shares	% of Pre-offer Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
<b>Promoter</b>					
1	Vikas Garg	1,25,92,100	75.02	1,25,92,100	55.26
2	Meenakshi Garg	33,48,596	19.95	33,48,596	14.70
	<b>Subtotal (A)</b>	<b>1,59,40,696</b>	<b>94.97</b>	<b>1,59,40,696</b>	69.96
<b>Promoter Group</b>					
3	Anuj Garg	1,000	Negligible	1,000	Negligible
	<b>Subtotal (B)</b>	<b>1,000</b>	<b>Negligible</b>	<b>1,000</b>	<b>Negligible</b>
	<b>Total (A+B)</b>	<b>1,59,41,696</b>	<b>94.97</b>	<b>1,59,41,696</b>	<b>69.96</b>

12. The list of the shareholders of the Company holding 1% or more of the paid up share capital aggregating to 80% or more of the paid up share capital of the company:

a. as on the date of this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the total Pre Issue Paid-up Share Capital
A.	Vikas Garg	1,25,92,100	75.02
B.	Meenakshi Garg	33,48,596	19.95
C.	Madhukar Chimanlal Sheth	8,40,000	5.00
	<b>Total</b>	<b>1,67,80,696</b>	<b>99.97</b>

b. ten days prior to the date of the Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Paid-up Share Capital
1.	Vikas Garg	1,25,92,100	78.97
2.	Meenakshi Garg	33,48,596	21.00
	<b>Total</b>	<b>1,59,40,696</b>	<b>99.97</b>

c. One year prior to the date of the Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Paid-up Share Capital
1.	Vikas Garg	1,25,97,100	79.00
2.	Meenakshi Garg	33,48,596	21.00
	<b>Total</b>	<b>1,59,45,696</b>	<b>100.00</b>

d. Two years prior to the date of the Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Paid-up Share Capital
1.	Vikas Garg	1,18,07,100	79.00
2.	Meenakshi Garg	31,38,596	21.00
	<b>Total</b>	<b>1,49,45,696</b>	<b>100.00</b>

13. 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.

14. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 hold any Equity Shares of our Company as on the date of this Prospectus.

15. The BRLM, Syndicate Members and any persons related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the Issue under the Anchor Investor Portion. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue in the Non-Institutional Category as may be applicable to such

Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

16. There are no Equity Shares against which depository receipts have been issued.
17. Except for Pre IPO Placement, 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 the date of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange, or all application monies have been refunded, as the case may be.
18. We do not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the Issue appropriately in due compliance with the applicable statutory provisions.
19. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transactions being completed.
20. None of the members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of any such financing entity) during the period of six months immediately preceding the date of filing of this Prospectus.
21. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy back or any other similar arrangements for the purchase of Equity Shares being issued through the Issue from any person.
22. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the 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 Promoters 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.
23. As on date of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
24. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Prospectus. The Equity Shares to be issued pursuant to the Issue shall be fully paid-up at the time of Allotment. As per RBI regulations, OCBs are not allowed to participate in this Issue.
25. Our Company has not raised any bridge loans against the proceeds of the Issue.
26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
27. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
28. An applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors
29. No person connected with the Issue, including 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 Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
30. Our Company has 8 shareholders as on the date of filing of this Prospectus.
31. Our Promoters and the members of our Promoter Group will not participate in this Issue.
32. Our Company has not made any public issue since its incorporation.

33. For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended December 31, 2020 and financial years ended March 31, 2020, 2018 and 2017 please refer to paragraph titled *Details of Related Parties Transactions* as restated in the chapter titled “*Financial Statements*” on page 148 of this Prospectus.
34. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled *Our Management* beginning on page 128 of this Prospectus.



## OBJECTS OF THE ISSUE

### Requirement of Funds

The proceeds from the Issue, after deducting the Issue related expenses, is estimated to be ₹ 2,462.96 lakhs (the “Net Proceeds”).

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

1. “Funding capital expenditure of our proposed new manufacturing facility which is being set up
  - to enable us to manufacture high voltage cables, produced by dry/nitrogen gas cure technology by way of installation of Catenary Continuous Vulcanization (CCV) line;
  - expanding our existing installed capacities” (hereinafter referred as the “**Project**”);
2. Funding the working capital requirements of our Company;
3. General corporate purposes.

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

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Additionally, we believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

### Issue Proceeds

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

Particulars	Estimated amount
Gross Proceeds from the Issue <sup>(1)</sup>	2,667.60
(Less) Issue related expenses	204.64
<b>Net Proceeds</b>	<b>2,462.96</b>

<sup>(1)</sup> Including Pre-IPO placement of 8,40,000 shares aggregating to ₹ 327.60 lakhs

### Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in in the following table:

Sr. No.	Particulars	Estimated amount
1.	Funding capital expenditure for the Project	1,500.00
2.	Funding the working capital requirements of our Company	500.00
3.	General corporate purposes	462.96

The amount utilised for general corporate purposes has not exceeded 25% of the Gross Proceeds of the Issue.

### Proposed schedule of implementation and deployment of Net Proceeds

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

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2020-21)	Estimated Utilisation of Net Proceeds (Financial Year 2021-22)
1	Funding capital expenditure for the Project <sup>(1)</sup>	1,500.00	-	1,500.00
2.	Funding the working capital requirements of our Company	500.00	-	500.00
3.	General corporate purposes	462.96	327.60	135.36

<sup>(1)</sup> As on the date of this Prospectus, our Company has deployed ₹ 743.95 lakhs from internal accruals and amount raised through Pre IPO Placement towards the Objects of the issue as certified by Rajeev Singhal & Co. Chartered Accountants vide

certificate dated April 04, 2021. Of the above deployment the costs incurred by our Company for acquisition of land required to set up the proposed manufacturing facility and boundary wall expenses of ₹ 416.35 lakhs do not form part of the total estimated cost of the Project.

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, management estimates, current and valid quotations from suppliers and contractors, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been verified by the Book Running Lead Manager or appraised by any bank or financial institution. However, our Company has obtained a Techno-Economic Viability Report dated February 10, 2021 from Er. Vivek Kumar Gupta, Chartered Engineer & Valuer, for the proposed Project. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Issue; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

#### Means of finance

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds, internal accruals and through existing as well as proposed debt financing. In view of above, we confirm that, with respect to the Objects, our Company has made firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount proposed to be raised through the Issue. While we have available debt financing for 75% of the funds required excluding the Net Proceeds, the expenditure already incurred and existing identified internal accruals may, at the discretion of the management be, utilize for our future internal accruals in order to reduce our financing costs.

Details of estimated means of finance for Net Proceeds are set forth below.

Objects of the Issue	Total estimated costs <sup>(1)</sup>	IPO Proceeds	(₹ in lakhs)	
			Internal Accruals/ Networth	Bank Loan
Funding capital expenditure for the Project <sup>(1)</sup>	3,658.00	1,500.00	533.00	1,625.00#
Funding the working capital requirements of our Company	7,332.69	500.00	2,352.83	4,479.86

<sup>(1)</sup> The costs incurred by our Company for acquisition of land required to set up the proposed manufacturing facility do not form part of the total estimated cost of the Project.

#Siemens Financial Services Private Limited vide Inprinciple Sanction Letter has sanctioned the credit facility for the purpose of part-funding the Project by way of a rupee term loan of ₹ 1,625.00 Lakhs subject to certain terms and conditions.

## Details of the Objects

The details of the Objects of the Issue are set out below:

### 1. Funding capital expenditure for the Project

Our current manufacturing facilities are located at Haridwar, Uttarakhand, India where we manufacture and market diverse range of wires and cables under the brand “V-Marc”. Our Company intends to expand its manufacturing capabilities, by way of installation of a new Catenary Continuous Vulcanization (CCV) line which shall enable it to manufacture high voltage cable, produced by Dry/Nitrogen gas cure technology and expand its existing installed capacities by setting up a new manufacturing unit of proposed optimal operating capacity of 11,520 km p.a.

#### Land

The proposed manufacturing facility is envisaged to be set up at Khasra No. 1,2 & 6, Mukrabpur Village, Near Sanjeeda Petrol pump, Bhagwanpur Road, Kaliyar, City: Roorkee, Dist: Haridwar, Uttarakhand, India. The Company has acquired total four land parcels admeasuring to 29,239 sq.mt. in financial year 19-20 at Roorkee, Uttarakhand from various parties. The land use of the same has been converted from agricultural to industrial. Our Company has paid a consideration of ₹ 341.36 lakhs for purchasing the said land for the proposed manufacturing unit. In addition to the abovementioned consideration in respect of the four land parcels, we have also incurred certain additional costs, including in relation to the stamp duty payment, registration charges, survey fees and other miscellaneous fees. We have also incurred a cost of ₹ 75.00 lakhs towards building boundary/fencing at the said plot. We are currently in possession of these land parcels which were acquired by our Company out of our internal accruals and are registered in our name and costs incurred for acquisition of such land parcels do not form part of the total estimated cost of the Project.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this acquisition of the land parcels.

#### Estimated Costs

The total estimated cost of the Project is ₹3,658.00 lakhs. The total estimated cost for the Project has been estimated by our management in accordance with our business plan, current and valid quotations from suppliers and contractors and other commercial and technical factors approved by our Board of Directors pursuant to its meeting dated February 15, 2021. Further the same has also been certified by Chartered Engineer Mr. Vivek Kumar Gupta vide his Techno-Economic Viability Report dated February 10, 2021 However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. The detailed break-down of estimated cost is set forth below:

(₹ in lakhs)

Particulars	Amount
Civil Construction (Building)	1,000.85
Plant and Machineries	2,138.00
Computer and IT Accessories	18.00
Furniture & Fixtures	33.00
Contingency	103.15
Others	365.00
<b>Total</b>	<b>3,658.00</b>

*The total estimated cost does not include payments made by our Company towards the acquisition of land on which the proposed manufacturing unit is intended to be set up.*

*The working capital requirements for the proposed Project will be met from our internal accruals.*

#### Means of Finance for the Project

The total estimated cost for the Project is ₹ 3,658.00 lakhs. We intend to fund the cost of the Project as follows:

(₹ in lakhs)

Source of fund	Total estimated cost
Net Proceeds	1,500.00
Term loan from bank	2,000.00
Internal accruals/ networth	158.00
<b>Total</b>	<b>3,658.00</b>

We propose that any subsequent initial expenditure in relation to the said Project will be funded from our internal accruals until the Net Proceeds are available to our Company.

**a) Civil Construction (Building)**

Building and civil works for the Project mainly includes site development and construction and engineering related work including building the foundation, structure, roof, doors and windows, drainage and sewerage system, etc. The total estimated cost for civil construction (building) is ₹1,000.85 lakhs. Our Company has received a quotation dated February 08, 2021 from M/s. Sameer Gupta & Associates for site development and civil structure. The detailed bifurcation of the estimated cost of civil construction (building) is as follows:

(₹ in lakhs)

Description of work	Amount
Piles	3.78
Earth Work	14.54
Concrete work- plain & reinforcement	253.85
Masonry work	43.65
Flooring and Pavings	37.28
Plastering/ Painting and other wall finishes	7.98
Doors windows and glazing	5.29
Steel and other miscellaneous work	4.23
Light fan plug point and fittings	1.15
Sub main boards DBS & conducting.	0.79
Plumbing works sanitary	3.37
Soil, waste, vent and rain water pipes	1.21
Water supply	0.84
Sewerage & drainage	0.77
Structural steel	382.95
RCC Block	104.17
Road development	75.00
Vertical shed (Height 20.0 m.)	60.00
<b>Total</b>	<b>1000.85</b>

\* The above costs is inclusive of GST

**b) Plant and machinery, technology process, etc.**

Our Company proposes to acquire machineries at an estimated cost of about ₹ 2,138.00 lakhs. We have identified the type of plant and machinery to be purchased for the proposed manufacturing unit and obtained quotations from various vendors but we are yet to place order for 100% of the plant and machinery worth 2,138.00 lakhs. The detailed list of plant & machinery to be acquired by our Company is provided below:

Sr No	Description of Machinery to be bought	Number of Machinery	Cost of the machinery (₹ in Lakhs)*	Name of the Supplier	Date of quotation relied upon for the cost estimates
1	CCV Line Machine for 66 KV Cable	1	1040.74	Truemac Extrusion System	29th January, 2021
2	Stranding Machine 61 Bobbin	1	180.54	Sarvasv Machinery And Equipments Pvt Ltd	10th January, 2021
3	X-Ray 8000 For CCV Line	1	143.83**	Sikora AG	29th January, 2021
4	Drum Twister laying up machine	1	37.31	Sarvasv Machinery And Equipments Pvt Ltd	20th January, 2021
5	150 MM extruder for PVC Cables	1	153.15	Truemac Extrusion System	29th January, 2021

6	PSA Nitrogen Plant cap.20 Nm3/hr.	1	25.02	Molsieve Designs Limited	29th January, 2021
7	E.O.T. Crane- 7.5 ton capacity	1	48.14	R.A. Engineers	29th January, 2021
8	Electrical LT/HT Distribution Panal	1	54.16	Shilpam Power Controls	21st January, 2021
9	Testing Equipments	2	50.55	Ivtek Power LLP	08th January, 2021
10	High precision Automatic Test Kit	1	22.27	Ivtek Power LLP	21st September, 2020
11	Rod Breakdown Machine	1	36.11	Tomer Engg Works Pvt Ltd	20th January, 2021
12	Rod Breakdown Control Panel	1	18.05	Coronet Engineers Pvt Ltd	29th January, 2021
13	copper taping Machine for HT Cables	1	54.16	Sarvasv Machinery And Equipments Pvt Ltd	10th January, 2021
14	Rewinding Machine for PVC Cables	1	27.68	Truemac Extrusion System	16th January, 2021
15	UPS 200 Kva With Batteries	3	53.13	Riello Power India private Limited	30th January, 2021
16	DG SET 500 KVA	1	37.60	Jakson Limited	29th January, 2021
17	Screw Air Compressor 25 & 30 kw ASD 50	1	16.24	Kaeser Compressors (India) Pvt. Ltd.	29th January, 2021
18	Godrej 5 Tonne Diesel Forklift Truck – 4000 mm MFH	1	19.32	M/s Satvik Filtraion Product	30th Decembere, 2020
19	1000 KVA HT Distribution Transformer 11kv	1	9.27	Red Phase Electricals	28th January, 2021
20	1000 KVA Balance Type Automatic Voltage Stabilizer	1	9.51	Red Phase Electricals	28th January, 2021
21	Submersible Pump & Piping	1	12.04	Om Sai Enterprises	8th February, 2021
	Adhoc Installation and commissioning charges	-	89.18	-	-
	<b>Total</b>		<b>2,138.00</b>		

*\*\* An estimated cost of freight @2% has been added to the basic value. The above costs is inclusive of GST except for installation & commissioning charges. Packing and other ancillary charges shall be additional as per actuals. \*\*The cost of core machinery is in EURO. The amount has been converted into Indian Rupees at the exchange rate of ₹ 88.5812= 1 EURO prevailing on February, 01 2021. ([www.fbil.org.in](http://www.fbil.org.in)) for the purpose of this Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the EURO rate and accordingly such transactions may affect the final funding requirements and deployment of the Net Proceeds.*

**c) Computer and IT Accessories**

Our Company has estimated the requirement of around 20 personal computers along with server and LAN network. The estimated cost is ₹ 18.00 Lakhs

**d) Furniture & Fixtures**

Our Company has assumed furniture and fixture worth ₹ 33.00 lakhs in the estimated costs for the Project.

**e) Contingency**

We have created a provision for contingency of ₹ 103.15 lakhs for the total project, which is approximately 2.82% of total project cost, to cover related packing, ancillary charges, taxes, levies and other duties, as applicable, and any increase in the estimated cost of setting up the proposed new manufacturing facility. No second-hand machinery or material is proposed to be purchased out of the aforesaid Net Proceeds. The abovementioned plant and machinery is proposed to be acquired in a ready-to use condition. We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity

of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at the proposed manufacturing facility, according to the business requirements of the same, which are dynamic and may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

**f) Others**

The pre-operative expenditure to cover security deposits, banking, legal and professional fees, marketing expenses and other miscellaneous expenses including administration and trial run expenses is estimated to be ₹ 204.00 lakhs and interest during construction as estimated by our Company is ₹ 161.00 lakhs. Such other expenses are approximately 9.98% of total project cost.

**g) Infrastructure facilities and utilities**

- **Water:**

For the proposed Project, the total water requirement of the unit is around 70KLPD, which will be procured from underground water source. The water collected will be stored in underground tanks and will be used for water requirement of boiler, cooling, workers / staff and for process water, besides irrigation of lawns and plantations

- **Raw Materials**

The major raw materials required for manufacturing include aluminium rods, insulation materials such as XLPE, PVC and polyethylene compounds and copper wires and foils along with fillers. A number of suppliers are available in and around Uttarakhand, who provide the mentioned raw materials

- **Power**

The Company proposes to purchase power via 33 kV HT Power line from Uttarakhand Power Corporation Limited (UPCL). The connected load for the project will be 1230 kW while the operating load will be 861 kW considering diversity factor of 70%. In addition, the Company plans to install a 200 KVA / 180 KW High Performance IGBT/PWM based True-On-Line Double Conversion Microprocessor Controlled UPS system for critical power backup

- **Fuel**

Fuel proposed to be used is diesel. It will be primarily used to feed the boiler, to operate fork-lifts and material handling equipment and to operate DG Set

- **Manpower requirement**

The manpower numbers will vary considering the requirement of the plant. Our Company proposes to have 156 skilled and unskilled workers including management and technical personnel.

**h) Government and other Approvals**

As on the date of the Prospectus, we have filed applications for seeking consent to establish with the Uttarakhand Pollution Control Board for the proposed manufacturing facility; Further we have also obtained an in-principle approval from State/District Nodal Agency, Single Window Clearance System - Government of Uttarakhand which acts as a Nodal Agency for Department of Revenue, State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd, Uttarakhand Environment Pollution Control Board, Uttarakhand Power Corporation Limited, Uttarakhand Fire and Emergency Services, Department of Labour, State Industrial Development Authority and UHUDA. We shall apply for the pending approvals as and when required in the due course of time.

**i) Proposed Schedule of Implementation**

The proposed schedule of implementation is as follows:

Activity	Commencement	Completion
<b>Land &amp; Site Development</b>		
Acquisition of Land	Already Available	
<b>Building &amp; Civil Construction</b>		

Civil Works – Main Plant	May 2021	December 2021
Civil Works – Godowns	July 2021	December 2021
Civil Works – Admn. & Other areas	September 2021	December 2021
<b>Plant &amp; Machinery / MFA</b>		
Placement of orders for Main Plant & Machinery	April 2021	Jun 2021
Placement of orders for other equipment	October 2021	December 2021
Delivery at Site	October 2021	January 2022
Erection, Installation & Commissioning of Plant	February 2022	July 2022
<b>Approvals &amp; Other Arrangements</b>		
Arrangements of Water	Already available	
Arrangements of Temp Power	Already available	
Arrangements of Power (Additional Load)	May 2022	June 2022
Arrangements of Additional Manpower	January 2022	June 2022
Trial Runs	August 2022	August 2022
Commercial Production	September 01, 2022	

## 2. Funding the working capital requirements of the Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions and unsecured loans. For further details, please refer to the chapter titled “*Financial Indebtedness*” beginning on page 165 of this Prospectus.

Our Company’s existing working capital requirement and funding on the basis of Restated Financial Statements for fiscal 2019 and for fiscal 2020 are as stated below:

*(Rs in lakhs)*

Particulars	Fiscal 2019	Fiscal 2020
<b>Current Assets</b>		
Inventories		
- Raw Material (including packing material)	864.65	919.56
- Work in Progress	107.70	102.54
- Finished Goods (including scrap)	2,115.86	3,171.06
Trade Receivables	5,540.67	5,629.74
Cash and Cash Equivalents	8.07	106.19
Short term loans & advances & Other Current Assets	941.90	791.04
<b>Total (A)</b>	<b>9,578.85</b>	<b>10,720.13</b>
<b>Current Liabilities</b>		
Trade Payables	3,943.42	4,470.47
Other Current Liabilities and Provisions	702.12	548.08
<b>Total (B)</b>	<b>4,645.54</b>	<b>5,018.55</b>
<b>Total Working Capital (A)-(B)</b>	<b>4,933.30</b>	<b>5,701.58</b>
<b>Existing Funding Pattern</b>		
Borrowings from banks (including Guaranteed Emergency Credit Line Working Capital Loan due to COVID-19)	3,317.09	4,170.22
Internal Accrual/Networth	1,616.21	1,531.36

### Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated February 15, 2021 has approved the business plan for the three year period for Fiscals 2021, 2022 and 2023. The estimated and projected working capital requirement for Fiscal 2021 and Fiscal 2022 respectively is stated below:

*m(Rs. in Lakhs)*

Particulars	Fiscal 2021 (Estimated)	Fiscal 2022 (Projected)
<b>Current Assets</b>		
Inventories		
- Raw Material (including packing material)	877.52	1,389.90
- Work in Progress	90.60	213.33
- Finished Goods (including scrap)	3,234.29	4,774.54
Trade Receivables	5,484.22	6,361.70
Cash and Bank Balance	290.19	218.20
Short term loans & advances and other Current Assets	894.12	726.20
<b>Total (A)</b>	<b>10,870.94</b>	<b>13,683.87</b>
<b>Current Liabilities</b>		
Trade Payables	3,210.52	5,687.68
Other Current Liabilities and Provisions	843.50	663.50
<b>Total (B)</b>	<b>4,054.02</b>	<b>6,351.18</b>
<b>Total Working Capital (A)-(B)</b>	<b>6,816.92</b>	<b>7,332.69</b>
<b>Existing Funding Pattern</b>		
Borrowings from banks (including Guaranteed Emergency Credit Line Working Capital Loan due to COVID-19)	4,649.20	4,479.86
IPO Proceeds (Including Pre-IPO Placement)	-	500.00
Internal Accrual/Networth	2,167.72	2,352.83

*(In months)*

Particulars	Holding Level for Fiscal 2019	Holding Level for Fiscal 2020	Holding Level for Fiscal 2021 (Estimated)	Holding Level for Fiscal 2022 (Projected)
<b>Current Assets</b>				
Trade Receivables	3.24	3.95	3.75	3.00
Inventories				
- Raw Material	0.62	0.76	0.75	0.75
- Work in Progress	0.07	0.08	0.07	0.10
- Finished Goods	1.22	2.09	2.02	2.04
<b>Current Liabilities</b>				
Trade Payables	2.69	3.69	2.75	3.00

Justification for “Holding Period” levels

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

Assets- Current Assets	
Trade receivables	Our Company shall give credit facility of around 3.00 months to our debtors for Fiscal 2022 as compared to 3.95 months and 3.75 months for Fiscal 2020 and Fiscal 2021. Going forward our Company intends to provide stringent credit facility to our debtors to increase our liquidity and business operation.
Inventories	<b>Raw Material-</b> We have assumed raw material inventory period of 0.75 month for the Fiscal 2021 and Fiscal 2022 which is on similar line of our raw material inventory days of 0.76 months for Fiscal 2020. <b>Work in Progress-</b> We have assumed work in progress inventory period of 0.07 months and 0.10 months for the Fiscal 2021 and Fiscal 2022 which is on similar line with our WIP requirement of 0.08 months for Fiscal 2020.



	<b>Finished Goods-</b> We have assumed finished goods inventory of 2.02 months and 2.04 months for Fiscal 2021 and Fiscal 2022 which is on similar line of our finished goods inventory days of 2.09 months for Fiscal 2020.
<b>Liabilities–Current Liabilities</b>	
Trade Payables	We have assumed trade payables period of 2.75 and 3.00 months for the Fiscal 2021 and Fiscal 2022 as against credit period of 3.69 months for Fiscal 2020 as we intend to prune our creditor days by usage of funds proposed to be raised through the Issue, so as to achieve better negotiating terms viz: bulk discount, price offering etc. from creditors.

Our Company proposes to utilize ₹ 500.00 lakhs of the Net Proceeds in Fiscal 2021-22 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2021-22 will be arranged from existing internal accruals and networth and bank loans.

### 3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ 462.96 Lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives
- brand building and strengthening of marketing activities; and
- ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “*General Corporate Purposes*” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ 204.64 Lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expense, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as under:

Expenses*	Estimated expenses (in ₹ Lakhs)	As a % of the total estimated expenses	As a % of the total Issue Gross Proceeds
Fees payable to BRLM (including underwriting commission)	162.75	79.53%	6.10%
Advertising and marketing expenses	14.01	6.85%	0.53%
Fees payable to the Legal Advisors to the Issue	1.00	0.49%	0.04%
Fees to the Registrar to the Issue	0.50	0.24%	0.02%
Fees payable to the Regulators including stock exchange	4.19	2.05%	0.16%
Printing and distribution of Issue stationary	0.50	0.25%	0.02%
Brokerage and selling commission payable to Syndicate <sup>1</sup>	11.70	5.72%	0.44%
Brokerage and selling commission payable to Registered Brokers <sup>2</sup>	0.14	0.07%	0.01%
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs <sup>3</sup>	0.09	0.04%	0.00%
Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them <sup>4</sup>	0.12	0.06%	0.00%

Expenses*	Estimated expenses (in ₹ Lakhs)	As a % of the total estimated expenses	As a % of the total Issue Gross Proceeds
Others (bankers to the Issue, auditor's fees etc.)	9.63	4.71%	0.36%
<b>Total estimated Issue expenses</b>	<b>204.64</b>	<b>100.00%</b>	<b>7.67%</b>

*\*Upto March 17, 2021, Our Company has incurred ₹ 38.33 lakhs towards Issue Expenses out of internal accruals as certified by M/s. KDAP & Associates, Chartered accountants*

*1. Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs (for the bid cum application forms directly procured from investors), on the portion for RIIs and NIIs, would be as follows:*

*Portion for RIIs 0.50% ^ (exclusive of GST)*

*Portion of NIIs 0.50% ^ (exclusive of GST)*

*^ Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)*

*Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ 10.00 (plus applicable GST) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.*

*2. Registered Brokers, will be entitled to a commission of ₹ 10.00 (plus GST) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*

*3. SCSBs would be entitled to a processing fee of ₹ 10.00 (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.*

*4. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹. 10.00 (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them.*

### **Bridge Financing**

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 setting up of proposed new manufacturing facility until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance setting up of proposed manufacturing facility will be repaid from the Net Proceeds of the Issue.

### **Interim Use of Funds**

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

### **Monitoring Utilization of Funds**

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 1,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Further, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

**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 authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other Confirmations**

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

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 3.70 times the face value at the lower end of the Price Band and 3.90 times the face value at the higher end of the Price Band.

Investors should also refer to the sections titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 21 and 148 respectively and chapter titled “*Our Business*” beginning on page 102 of this Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the Issue price are:

- Wide product portfolio with focus on quality
- Diversified and marquee client base across varied geographies
- Our distribution network
- Experienced management and dedicated employee base

For further details, refer to heading “*Our Competitive Strengths*” under the chapter titled “*Our Business*” beginning on page 102 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Information of the Company for the period ended December 31, 2020 and for the Financial Year 2020, 2019 and 2018 prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For details, refer section titled “*Financial Statements*” beginning on page 148 of this Prospectus.

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

#### 1. Basic and Diluted Earnings per Share (“EPS”) as adjusted for changes in Capital

Year/Period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2020	2.91	3
March 31, 2019	3.36	2
March 31, 2018	1.57	1
<b>Weighted average</b>		<b>2.84</b>
For the nine months period ended December 31, 2020*		2.52

\*Not Annualised

#### Note:-

1. *Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of equity shares outstanding during the year/period.*
2. *Diluted Earnings per share = Net profit after tax, as restated attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the year/period.*
3. *Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].*
4. *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.*
5. *Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014*

6. The face value of each Equity Share is ₹ 10.

2. **Price to Earnings (P/E) ratio in relation to Price Band of ₹ 37.00 to ₹ 39.00 per Equity Share of Rs. 10/- each fully paid up:**

Particulars	P/E Ratio on Floor Price (no. of times)	P/E on Cap Price (no. of times)
P/E ratio based on Basic & Diluted EPS for FY 2019-20	12.71	13.40
<b>Industry P/E*</b>		
Highest		153.90
Lowest		5.61
Average		60.02

\* The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this chapter. For further details, see “– Comparison of Accounting Ratios with listed industry peers” hereunder.

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

As per Restated Financial Information:

Year/Period ended	RoNW (%)	Weight
March 31, 2020	13.60	3
March 31, 2019	16.56	2
March 31, 2018	9.75	1
<b>Weighted Average (%)</b>		<b>13.94</b>
For the nine months period ended December 31, 2020*		10.52

\*Not Annualised

Notes:

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

4. **Net Asset Value (NAV) per Equity Share of Face Value of Rs 10 each**

As per Restated Financial Information:

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2020	21.43
Net Asset Value per Equity Share as of December 31, 2020	23.95
Net Asset Value per Equity Share after the Issue- At Floor Price	27.87
Net Asset Value per Equity Share after the Issue- At Cap Price	28.47
Issue Price per equity share	39.00

Notes:

1. Issue Price per Equity Share has been determined on conclusion of the Book Building Process.
2. Net Asset Value Per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year/period. / Number of equity shares outstanding as at the end of year/period.
3. Net worth is aggregate value of the paid-up share capital of the Company and Reserve and Surplus, excluding revaluation reserves if any, as per Restated Financial Information.

5. **Comparison of Accounting ratios with listed industry peers:**

Companies	CMP*	Basic EPS (₹ per share)	Diluted EPS (₹ per share)	PE Ratio (no. of times)	RONW (%)	NAV (₹ per share)	Face Value (₹ per share)	Total Income (₹ in lakhs)
V-Marc India Limited	39.00	2.91	2.91	13.40	13.60	21.43	10.00	17,164.44
<b>Peer Group**</b>								
Cords Cables Industries Limited	45.75	8.16	8.16	5.61	7.64	108.07	10.00	42,240.82
Ultracab (India) Limited	126.20	0.82	0.82	153.90	4.94	16.50	10.00	6,643.03
CMI Limited	50.55	2.46	2.46	20.55	1.18	208.95	10.00	51,212.21

\* Issue Price of our Company shall be considered as CMP for our Company

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

Notes:

1. Considering the nature and size of business of the Company, the peers are not strictly comparable. However the same has been included for broad comparison.
2. The figures for V-Marc India Limited is based on the restated financial statements for the year ended March 31, 2020
3. The figures for the peers are based on the consolidated audited results (unless otherwise available only on standalone basis) for the year ended March 31, 2020 filed with BSE.
4. Current Market Price (CMP) is the closing price of peer group on BSE as on March 09, 2021.
5. NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares as at March 31, 2020. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserve less miscellaneous expenditure not written off if any).
6. P/E Ratio has been computed based on the closing price of peer group on BSE as on March 09, 2021 as divided by the Basic EPS provided.
7. RoNW has been computed as net profit after tax attributable to equity shareholders divided by closing net worth as at March 31, 2020. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserve less miscellaneous expenditure not written off if any).

#### **6. The Issue Price is 3.9 times of the face value of the Equity Shares.**

The Issue Price of ₹ 39/- has been determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Statements” on pages 21, 102, 151 and 148, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments..

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
The Board of Directors  
**V-Marc India Limited**  
Plot No 3,4,18,20A  
Sector IIDC, SIDCUL  
Haridwar  
Uttarakhand-249403

Dear Sir/Ma'am,

**Sub: Proposed Initial Public Offering (IPO) of the Equity Shares of the V- Marc India Limited, (the "Company"), pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the "Act").**

1. This report is issued in accordance with the terms of our engagement letter dated January 21, 2021.

The accompanying Statement of Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income Tax Act, 1961 (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2020 (hereinafter referred to as the "Income Tax Regulations") and under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Service Tax Act, 2017 (GST Act), (read with Goods And Service Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2020 has been prepared by the management of the Company in connection with the proposed Offer, which we have initialled for identification purposes.

### Management's responsibility

2. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus (the "Offer Documents") is the responsibility of the management of the Company and has been approved by the Board of Directors for the purpose set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### Auditor's responsibility

3. Our work has been carried out in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.
4. Pursuant to the SEBI Regulations and the Act, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the special tax benefits available as of December 31, 2020 on the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.
5. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Offering.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

### Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.
8. Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are

not exhaustive.

9. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

#### **Opinion**

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available as of December 31 2020, to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations & other Indirect Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain the benefits as per the Statement in future;  
or
- (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

#### **Restriction on Use**

11. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the NSE.

#### **For Rajeev Singal & Co**

Chartered Accountants

Firm's Registration No.: 008692C

#### **Rajeev Kumar Singhal**

Partner

**Membership No.: 077834**

**04<sup>th</sup> February, 2021**

**Haridwar**



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

### **A) Direct Taxation:**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

#### **a. Special tax benefits to the company**

**There are no special tax benefits to the company.**

#### **b. Special tax benefit to the shareholder**

**There are no special tax benefits to the shareholders of the company.**

Note:

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

### **B) Indirect Taxation:**

- 1) **Benefits available under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax Rules, Circulars and Notifications) (together referred to as “GST Regime “or “GST Law”)**

#### **1.1. Special tax benefits to the company**

**There are no special tax benefits to the company.**

#### **1.2. Special tax benefit to the shareholder**

**There are no special tax benefits to the shareholders of the company.**

## SECTION V – ABOUT THE COMPANY

### OUR INDUSTRY

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Statements*” and related notes beginning on page 21 and 148 respectively of this Prospectus before deciding to invest in our Equity Shares.

#### MACRO ECONOMIC OVERVIEW - GLOBAL

The outlook for the global economy has darkened. Global financing conditions have tightened, industrial production has moderated, trade tensions remain elevated and some large emerging market and developing economies have experienced significant financial market stress. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum. Downside risks have become more acute and include the possibility of disorderly financial market movements. More frequent severe weather events would raise possibility of large swings in international food prices, which could deepen poverty. In this difficult environment, it is of paramount importance for emerging market and developing economies to rebuild policy buffers while laying a stronger foundation for future growth by boosting human capital, promoting trade integration and addressing challenges associated with informality.

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

The June 2020 Global Economic Prospects describes both the immediate and near-term outlook for the impact of the pandemic and the long-term damage it has dealt to prospects for growth. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020, using market exchange rate weights—the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages.

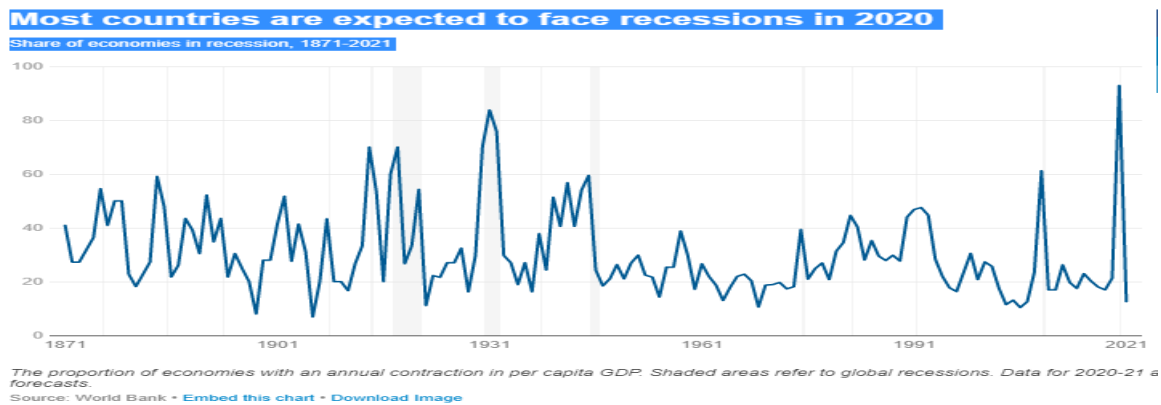
The crisis highlights the need for urgent action to cushion the pandemic’s health and economic consequences, protect vulnerable populations, and set the stage for a lasting recovery. For emerging market and developing countries, many of which face daunting vulnerabilities, it is critical to strengthen public health systems, address the challenges posed by informality, and implement reforms that will support strong and sustainable growth once the health crisis abates.

Global economic growth exhibited signs of sluggishness in FY 20 driven by weakness in a few emerging economies resulting in slower global manufacturing and trade. The concerns around Brexit and the continuing trade war between United States and China provided additional stimulus to already dampening global Macro-economic conditions. The International Monetary Fund (IMF), in its World Economic Outlook, April 2020, calculated a global economic growth of 2.9% in CY2019, a significant fall from 3.6% in CY2018. Following the outbreak of COVID-19, global economy charted an unprecedented curve, multiplexed by uncertainties. Most of the economies across the world have been severely impacted due to restriction of movement, crippling trade, and businesses. While it is difficult to predict the course of the pandemic and its economic consequences, a recovery

in medium term is likely to depend on emergency macro policy interventions by various countries and emergence of a vaccine for COVID-19. Potential disruptions in developed economies with imposition of tariffs, embargoes, and other trade restrictions or controls and high volatility of commodity prices including oil and metals can further hamper the near-term outlook. IMF projects the global growth rate to shrink by 3% in CY2020. However, if the pandemic is contained by the second half of CY2020, it suggests the global economy will likely grow by 5.8% in CY2021, supported by fiscal and monetary measures

### Historic contraction of per capita income

The pandemic is expected to plunge most countries into recession in 2020, with per capita income contracting in the largest fraction of countries globally since 1870. Advanced economies are projected to shrink 7 percent. That weakness will spill over to the outlook for emerging market and developing economies, who are forecast to contract by 2.5 percent as they cope with their own domestic outbreaks of the virus. This would represent the weakest showing by this group of economies in at least sixty years.



Every region is subject to substantial growth downgrades. East Asia and the Pacific will grow by a scant 0.5%. South Asia will contract by 2.7%, Sub-Saharan Africa by 2.8%, Middle East and North Africa by 4.2%, Europe and Central Asia by 4.7%, and Latin America by 7.2%. These downturns are expected to reverse years of progress toward development goals and tip tens of millions of people back into extreme poverty.

Emerging market and developing economies will be buffeted by economic headwinds from multiple quarters: pressure on weak health care systems, loss of trade and tourism, dwindling remittances, subdued capital flows, and tight financial conditions amid mounting debt. Exporters of energy or industrial commodities will be particularly hard hit. The pandemic and efforts to contain it have triggered an unprecedented collapse in oil demand and a crash in oil prices. Demand for metals and transport-related commodities such as rubber and platinum used for vehicle parts has also tumbled. While agriculture markets are well supplied globally, trade restrictions and supply chain disruptions could yet raise food security issues in some places.

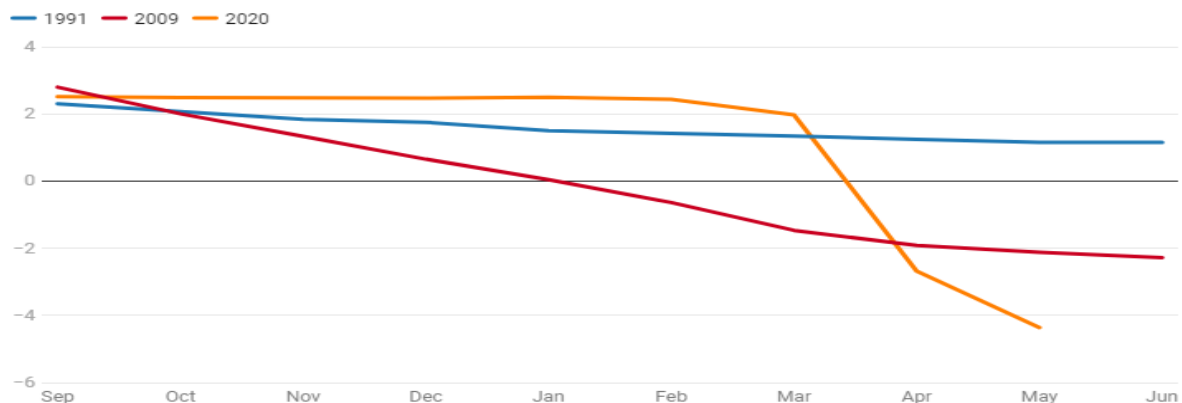
Even this bleak outlook is subject to great uncertainty and significant downside risks. The forecast assumes that the pandemic recedes in such a way that domestic mitigation measures can be lifted by mid-year in advanced economies and later in developing countries, that adverse global spillovers ease during the second half of 2020, and that widespread financial crises are avoided. This scenario would envision global growth reviving, albeit modestly, to 4.2% in 2021.

However, this view may be optimistic. Should COVID-19 outbreaks persist, should restrictions on movement be extended or reintroduced, or should disruptions to economic activity be prolonged, the recession could be deeper. Businesses might find it hard to service debt, heightened risk aversion could lead to climbing borrowing costs, and bankruptcies and defaults could result in financial crises in many countries. Under this downside scenario, global growth could shrink by almost 8% in 2020.

Looking at the speed with which the crisis has overtaken the global economy may provide a clue to how deep the recession will be. The sharp pace of global growth forecast downgrades points to the possibility of yet further downward revisions and the need for additional action by policymakers in coming months to support economic activity.

## The COVID-19 recession has seen the fastest, steepest downgrades in consensus growth projections among all global recessions since 1990

Consensus forecasts of global GDP (percent)



September to December shows forecasts made in the previous year, while January to June shows data for the current year. Data for 1991 are for advanced economies only due to data availability.

Source: Consensus Economics, World Bank

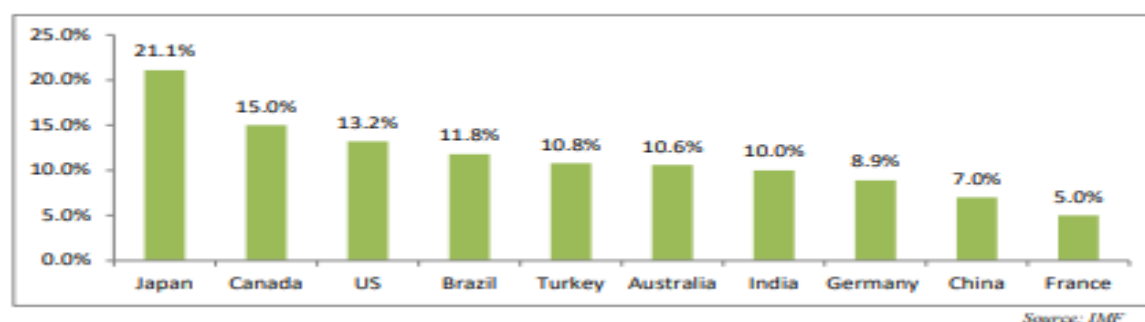
### Gross Domestic Product (GDP) Growth

With the growth in the COVID-19 pandemic, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

The baseline forecast envisions a ~4.4% contraction in global GDP in 2020. Using market exchange rate weights this has been the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. The deep recession triggered by this pandemic is expected to have short-term repercussions like low investments with the erosion of human capital and fragmentation of the global trade linkages. However, the medium-long term health of the economy will be healthy, with the demand expected to soar back to its pre-COVID levels. This is expected to be driven by the increased government investments and incentive schemes

In order to address these issues, most of the large global economies have announced several stimulus packages to revive demand.

COVID-19 fiscal stimulus packages in G20 countries, as a share of GDP



(Source:- <https://www.worldbank.org/>)

IMF World Economic Outlook, April 2020

World Bank

P = Projections

## MACROECONOMIC OVERVIEW - INDIA

### Macroeconomic Overview of India Gross Domestic Product (GDP) Growth and Outlook

An already-slipping Indian economy has been derailed from its growth track after a stringent shutdown was imposed in March to halt the spread of Covid-19. India's GDP is expected to contract by 10.3% in FY21 – for the

first time in four decades. Due to Covid-19, the GDP of Q1 of FY21 GDP declined by 23.9% at INR 26,895 Cr as compared to INR 35,353 Cr for the same period last year (Q1 FY20). The Private Final Consumption declined by 24% in Q1 FY21 as compared to Q1 FY20 and the Gross Final Capital Formation reduced by 48% for the same tenure.

Real GDP Value, at constant price (INR 000'Bn) and Growth %, India, 2008 to 2025F

### **Strong Growth Path**

The government has taken several measures to revive the economy and to return to a normal to high growth trajectory. As the monetary and fiscal stimuli work their way through, India can expect an economic turnaround soon. In addressing the current slowdown, India has several advantages and comforting factors including the following:

- **Aatmanirbhar Bharat Abhiyan:** Prime Minister Narendra Modi on May 12, 2020 announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy.
- **Preferred Destination for Foreign Investment:** Lately, India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market in addition to a developed commercial banking network, availability of skilled manpower and a package of fiscal incentives for foreign investors.
- **Strong and Diversified Industrial and Infrastructural Base:** India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors; and systematically rolled out a public-private partnership (PPP) programme for the delivery of high-priority public utilities and infrastructure.
- **Burgeoning Foreign Exchange (Forex) Reserves:** India's foreign exchange reserves (currently USD 500 Bn, the highest ever) provide confidence in the country's ability to manage the balance of payments.
- **Demographic Dividend:** Presently, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge around the 15-59 age groups over the next decade. This poses a formidable challenge as well as a huge opportunity.

The way forward is too uncertain and it is not possible to have a precise road map for the foreseeable future. However, given India's strong fundamentals and a clear roadmap to maintain the growth trajectory, the country will remain at the forefront of global economic growth.

### **INDIAN ECONOMY GROWTH RATE & STATISTICS**

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

#### **Indian Economy**

The Indian economy has further been slowed down from its growth track on account of a stringent lockdown imposed in March to prevent the spread of the COVID-19 pandemic. India's GDP is expected to reduce by -4.5% in Fiscal 2020, for the first time in four decades. However, the medium term growth outlook is expected to improve and record a growth rate of approximately 7.3% by 2025 on account of strong macroeconomic fundamentals, including moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies. Due to the COVID-19 pandemic, the GDP of the first quarter of Fiscal 2021 declined by 23.9% to ₹ 26,895 crores from ₹ 35,353 crores during the first quarter of Fiscal 2020. The private final consumption declined by 24% and gross final capital formation reduced by 48% from the first quarter of Fiscal 2020 to the first quarter of Fiscal 2021.

India's GDP registered the highest growth of 8% in FY 2015-16 when both the global growth and country specific growth parameters were in sync. Despite the consolidation, the economy was growing healthy in the following three fiscals with a growth of 6% to 7%, and was considered one of the fastest growing economies with China. However, FY 2019-20 manifested severe liquidity crunch, lower GST collections and a strain on fiscal deficit,

followed by a continuous drop in consumption, investment and trade. Growth in all key sectors decelerated considerably. The Government tried to push growth through significant easing of monetary policy with repo rate cuts and extensive credit support to the Non-Banking Financial Companies (NBFCs) sector. The growth roadmap for next fiscals was also augmented by the amendment of Insolvency and Bankruptcy Code (IBC), the launch of the National Infrastructure Pipeline (NIP) with a budget of ` 102 Lakh Crores and the Union Budget 2020-21 with targeted allocations. However, the outbreak of COVID-19, the escalated healthcare costs and the loss incurred by the economy due to the nationwide lockdown hampered the chances of an economic recovery. GDP growth forecast has been lowered due to the uncertainty brought about by the sudden halt to all economic activities. A CRISIL report forecasted India's GDP growth to contract by 5% in FY 2020-21. The organization estimated a permanent loss of 10% of GDP in real terms and the impact is estimated to spread over next three years. IMF revised its forecast for India in its June WEO, and projected a negative growth of 4.5% for FY 2020-21. It, however, projects the Indian economy to grow by 6% in FY 2021-22 backed by Government's policy support.

*Sources: IMF World Economic Outlook, April 2020, IMF World Bank*

*Economic Outlook, April 2020, <http://www.mospi.gov.in/sites/>*

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*Q4%20estimates%20of%20GDP.pdf, <https://www.bbc.com/news/world-asia-india-52559324>*

## **Market size**

India's GDP (at constant 2011-12 prices) was estimated at Rs 26.9 trillion (US\$ 363.49 billion) for the first quarter of FY2020-21, against Rs 35.35 trillion (US\$ 477.67 billion) in the first quarter of FY2019-20, showing a contraction of 23.9%, compared with 5.2% growth in the first quarter of FY2019-20.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserve was Rs 39 .64 trillion (US\$ 542.01 billion) in the week up to September 4, 2020 according to data from the RBI.

## **Recent Developments**

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The mergers and acquisition (M&A) activity in India stood at US\$ 35.1 billion in the first half of 2020, while private equity (PE) deals stood at US\$ 13 billion. Some of the important recent developments in Indian economy are as follows:

- India's overall exports from April 2020 to August 2020 are estimated to be US\$ 182.13 billion, (a 19.32% decrease compared with the same period last year). Overall imports from April 2020 to August 2020 are estimated to be US\$ 167.94 billion, (a 38% decrease compared with the same period last year).
- According to IHS Markit, Purchasing Managers' Index (PMI) for manufacturing stood at 46 in July 2020 against 47.2 in June 2020, showing contraction in the sector because of coronavirus-related restrictions.
- Gross tax revenue stood at Rs 3.80 trillion (US\$ 51.35 billion) in the first quarter (from April 2020 to July 2020) of 2020-21.
- The first quarter of FY 2021 witnessed four initial public offerings (IPO) worth US\$ 2.08 million.
- India's Foreign Direct Investment (FDI) equity inflow reached US\$ 469.99 billion between April 2000 to March 2020, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading, and automobiles.
- India's Index of Industrial Production (IIP) for 2019-20 stood at 129.2.
- The combined index of eight core industries stood at 137 in March 2020. Its cumulative growth was 0.6% in 2019-20.

- Consumer Price Index (CPI) - Combined inflation was 5.9% in March 2020 as compared to 6.6% in February 2020. The annual consumer price inflation increased to 4.8% in 2019-20 from 3.4% in 2018-19.
- India improved its ranking in World Bank's Doing Business Report by 14 spots over last year and was ranked 63 among 190 countries in the 2020 edition of the report.
- India is expected to have 100,000 start-ups by 2025, which will create employment for 3.25 million people and generate US\$ 500 billion in value as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.

### **Government Initiatives**

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.

Total expenditure for 2020-21 is budgeted at Rs 37.14 trillion (US\$ 531.53 billion), an increase of 13% from 2019-20 (revised budget estimates).

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors.

The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- The Prime Minister of India, Mr Narendra Modi announced various economic packages, having a cumulative worth of around Rs 20 trillion (US\$ 283.73 billion) and being almost 10% of India's GDP.
- On July 6, 2020, World Bank and Government of India signed a US\$ 750 million agreement for 'Emergency Response Programme' for micro, small and mid-sized enterprises.
- As of August 17, 2020, 12.2 million Kisan credit cards were sanctioned with credit limit of Rs 1,020.7 billion (US\$ 13.98 billion) under the special saturation drive to revive rural economy and accelerate agricultural growth.
- In September 2020, ADB & India signed US\$ 500 million loan for the 'Delhi-Meerut Regional Rapid Transit System (RRTS) Corridor' to improve regional connectivity and mobility in India's national capital region (NCR).
- In September 2020, Government of India, Government of Himachal Pradesh and World Bank signed a US\$ 82 million loan to implement the Himachal Pradesh State Roads Transformation Project, to improve the condition, safety, resilience, and engineering standards of state road network.
- Pradhan Mantri Garib Kalyan Package (PMGK) was introduced in April 2020 to provide relief to underprivileged and help them fight the battle against COVID-19. The budget allocated to the scheme was Rs 1.70 trillion (US\$ 24.12 billion).
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.
- On September 12, 2020, Prime Minister Mr Narendra Modi addressed the 'Grih Pravesham' programme and inaugurated 0.2 million houses built under the 'Pradhan Mantri Awaas Yojana-Gramin' at Madhya Pradesh.

- In the mid-term review of Foreign Trade Policy (FTP) 2015-20, the Ministry of Commerce and Industry enhanced the scope of Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS), increased MEIS incentive for ready-made garments and made-ups by 2%, SEIS incentive by 2% and increased the validity of Duty Credit Scrips from 18 months to 24 months. In April 2020, Government extended FTP for one more year (up to March 31, 2021).

### Road Ahead

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms. India is also focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30%, and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

(Source:- Indian Economy – India Brand equity foundation – [www.ibef.org](http://www.ibef.org) – November, 2020.)

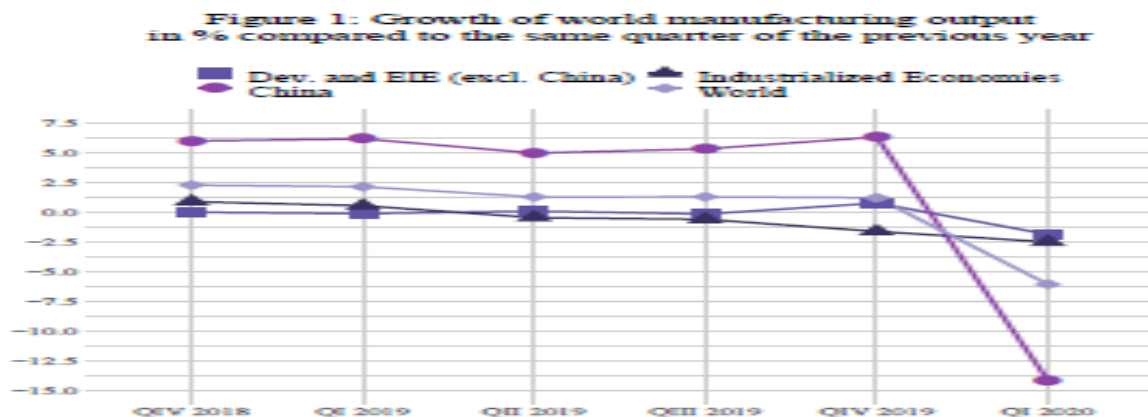
## GLOBAL MANUFACTURING SECTOR:

### World Manufacturing Growth

Global manufacturing output growth has registered a sharp decline of 6.0 per cent in the first quarter of 2020 due to economic lock-down measures motivated by COVID-19 pan-demic. The current economic downturn is the first of such magnitude since the financial crisis of 2008/2009, when manufacturing output fell by 7.1 per cent in the fourth quarter of 2008.

The current decline comes at a time when world manufacturing production is already experiencing a gradual decline, indicating an over-all economic slowdown throughout 2019. The global outbreak of COVID-19 has further reinforced the downward trend in the first quarter of 2020. The majority of countries halted their economic activities from March 2020 onwards, with only a few countries including China going into lockdown sooner. Consequently, a massive decline of manufacturing output is expected in the forthcoming period in industrialized economies and in most developing countries. Industrialized economies, which began closing businesses at the end of the first quarter, reported a moderate level of contraction. Manufacturing production in these countries dropped by 2.5 per cent compared to the first quarter of 2019. Manufacturing output was already declining in this country group following a period of sustained economic growth which lasted for more than three years.

North America's manufacturing output fell by 2.4 per cent in the first quarter of 2020. In addition to the COVID-19 outbreak, continued trade uncertainty and prevailing tariffs, especially between the U.S. and China, further contributed to this decrease. The manufacturing output of Europe's industrialized economies dropped by 4.4 per cent for similar reasons as well on a year-over-year comparison, while East Asia's manufacturing output remained almost the same, primarily due to the recent solid performance of the Republic of Korea and Taiwan, Province of China.



China, the world's largest manufacturer, was hit hard by COVID-19 in the first quarter of 2020, registering an unprecedented decline of manufacturing output. According to seasonally adjusted index numbers, China's manufacturing output plunged by 14.1 per cent, mainly because of the COVID-19 lockdown measures. A slow-



down in manufacturing growth figures was, however, also observed in China in 2019. Manufacturing production of developing and emerging industrial economies (excluding China), which had not yet been affected by COVID-19, recorded a 1.8 per cent decrease in the first quarter of 2020. In previous quarters, this country group's growth performance was characterized by sluggish growth after a steady decline in growth throughout 2018.

Developing economies in Asia and the Pacific, which until recently were deemed fast growing economies, reported a negative year-over-year growth rate of 2.5 per cent in the first quarter of 2020. Viet Nam was among the very few countries in the region that maintained a high manufacturing growth rate at 7.9 per cent, whereas India's manufacturing output dropped further by 5.4 per cent. Latin America witnessed a 2.8 per cent reduction of manufacturing output compared to the first quarter of 2019. Ecuador recorded a growth rate of 1.4 per cent, while Argentina's, Mexico's and Brazil's outputs shrank by 6.3 percent, 3.4 per cent and 2.2 per cent, respectively. Estimates based on limited data on Africa's manufacturing output indicated a slight increase of manufacturing output by 0.2 per cent for the first quarter of 2020; in the previous quarter, the continent's growth rate was 1.0 per cent. In the quarters before that, this country group registered a quarterly year-over-year output growth of around 2 per cent. Other developing economies achieved a stable year-over-year manufacturing output growth rate of 1.7 per cent in the first quarter of 2020. Turkey, the largest manufacturer in this country group, showed strong output growth at 4.7 per cent in the first quarter of 2020; in the previous quarter, the country's manufacturing output growth rate was 6.4 per cent, following a year of massive reductions in output.

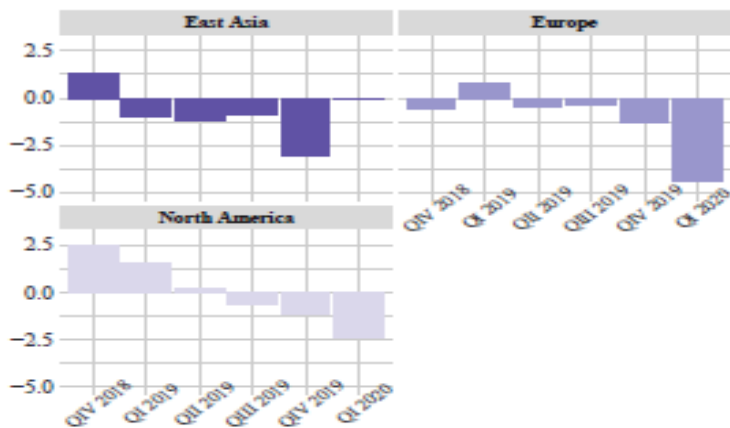
The figures clearly react that global manufacturing production has experienced an external shock (i.e. the COVID-19 pandemic). Other risks and uncertainties, including higher trade barriers and regulations as well as the Brexit, which played a key role at the end of 2019, have become secondary. As manufacturing is considered an engine of overall economic growth, the global slump in manufacturing production has serious impacts on the world economy. COVID-19 forced governments around the world to respond immediately to contain the pandemic and to support their local economies. The full extent of the containment measures' economic impact on countries world-wide remains to be seen. A redistribution of global manufacturing production might evolve as industrialized countries, in particular, realized their strong dependence on imports due to the outsourcing of production activities in the past.

### **Industrialized economies**

Manufacturing output growth of industrialized economies has been continuously declining since the end of 2018, primarily due to the prevailing trade and tariff uncertainties in commodity trading in the US and EU economies. The contraction in the first quarter of 2020 has been caused by COVID-19, on the one hand, and by already existing trade tensions and Brexit. Compared to the same period of 2019, manufacturing production decreased by 2.5 per cent in the first quarter of 2020, following a decrease of 1.6 per cent in the previous quarter. The figures presented in this report provide further insights into different industrialized regions. North America's manufacturing output fell by 2.4 per cent in the first quarter of 2020 on a year-over-year comparison. This development is primarily attributable to U.S. manufacturing activity, which decreased by 2.4 per cent in the first quarter of this year and by 1.1 per cent in the last quarter of 2019. Manufacturing output of East Asia's industrialized economies remained almost the same in the first quarter of 2020, but registered a decrease of 3.1 per cent in the previous quarter.

The output of the region's largest manufacturer, Japan, dropped further by 4.2 per cent after a decrease of 6.7 per cent in the previous quarter. Others such as Taiwan, Province of China (9.0 per cent), Singapore (6.4 per cent), the Republic of Korea (4.8 per cent) and Malaysia (1.4 percent) defied the general downward trend.

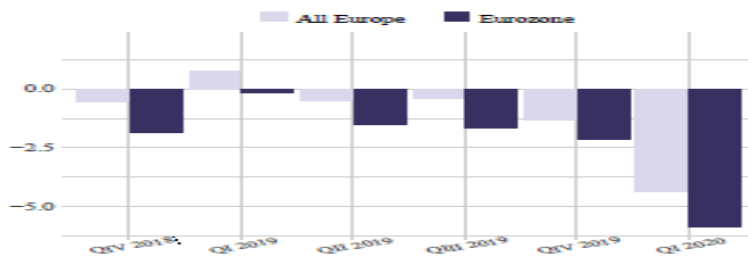
Figure 2: Growth rates of manuf. output of industrialized regions, in % compared to the same period of the previous year



Manufacturing production in European industrialized economies fell by 4.4 per cent in the first quarter of 2020. This country group already witnessed output slumps in previous quarters, a trend that has been further reinforced by the COVID-19 pandemic in 2020. In addition to the economic impacts of the coronavirus, the EU's economy as a whole, and especially export-oriented countries, have been adversely affected by Brexit as well as other trade restrictions that have bred uncertainties, resulting in reduced production and investments.

Disaggregated data for industrialized economies in Europe showed comparatively lower manufacturing output growth in eurozone countries in all quarters of 2019 (Figure 3).

Figure 3: Growth rates of manufacturing output in Europe, in % compared to the same period of the previous year



The figures for the first quarter of 2020 indicate a decline of manufacturing output in the majority of eurozone economies mainly due to ongoing trade frictions with the U.S. as well as the early impact of COVID-19 in China.

The most economically influential countries were among the worst affected: Italy's manufacturing output suffered one of its largest drops by 11.0 per cent because of the early and extremely severe outbreak of COVID-19. Germany, France and Spain also reported a major decline of manufacturing output by 6.8 per cent, 7.8 per cent and 5.6 per cent, respectively. The year-over-year growth patterns in other eurozone economies were varied. Manufacturing output increased in Finland (1.1 percent), Malta (8.6 per cent) and Ireland (8.0 percent), while it shrank by 10.0 per cent in Slovakia, 5.8 per cent in Austria, 3.7 per cent in Portugal, 2.5 per cent in Lithuania and by 2.4 per cent in Latvia.

Beyond the eurozone, manufacturing output also visibly decreased in Hungary (1.6 percent) and Sweden (1.2 per cent), while Poland's output increased by 0.9 per cent. The year-over-year manufacturing output of non-EU and other industrialized economies rose by 2.9 percent in the Russian Federation and 0.2 per cent in Norway, while dropping by 2.0 per cent in Belarus. The United Kingdom's output fell sharply by 6.0 per cent due to continued uncertainties following the Brexit on 31 January 2020 and the impact of the COVID-19 pandemic. Switzerland, one of the world's most advanced economies, registered a year over-year output growth of 0.7 per cent in the first quarter of 2020 as well as in the last quarter of 2019, after its manufacturing output had expanded by around 5.0 per cent for four consecutive quarters.

(Source: World Manufacturing Production- Statistics for Quarter I, 2020; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org) )

### **Developing and Emerging Industrial Economies**

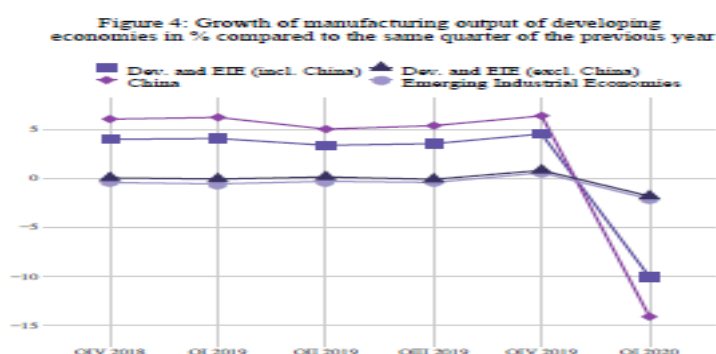
In accordance with the country grouping of UNIDO Statistics, China is presented separately from other country groups due to its size and new characteristics of its economy. Sustained high growth rates over the past several years have been rapidly transforming China into an industrialized economy.

#### **China**

In the first quarter of 2020, China's manufacturing output was hit hard by the outbreak of COVID-19. Seasonally adjusted figures indicate a drop of 14.1 per cent in a year-over-year comparison. In the fourth quarter of 2019, China still witnessed a solid and high growth rate of 6.4 per cent. Nearly all Chinese industries experienced a negative growth rate in the first quarter of 2020, including motor vehicles (27.3 per cent), textiles (22.5 per cent), computer electronics (5.2 per cent) and basic metals (1.9 per cent). It remains to be seen how fast China's economy can recover from this shock, but initial economic forecasts such as the economic outlook of the OECD8 point to a faster recovery than in other countries.

#### **Developing and emerging industrial economies (excl. China)**

Manufacturing output of developing and emerging industrial economies decreased by 1.8 per cent in the first quarter of 2020, following an increase of 0.8 per cent in the previous quarter. By contrast, this country group's manufacturing output had remained almost unchanged in the first quarters of 2019.



Asia and the Pacific experienced a drop of manufacturing output by 2.5 per cent compared to the same quarter of the previous year. The weaker growth rates recorded at the end of 2018 already signalled a downward trend following year-over-year growth rates of at least 4.0 per cent in previous quarters. A closer look at specific countries in this region reveals a diverse picture. The manufacturing output of Vietnam and the Philippines increased by 7.9 per cent and 1.4 per cent, respectively. By contrast, India's, Thailand's and Pakistan's manufacturing output fell by 5.4 per cent, 7.1 per cent and 8.7 per cent, respectively.

Latin America's manufacturing output on a year-over-year basis decreased by 2.8 per cent in the first quarter of 2020, following sluggish economic development since the fourth quarter of 2018. Argentina, for example, witnessed a further deepening of its ongoing recession, with a 6.3 per cent drop in manufacturing output in the first quarter of this year. The region's two largest manufacturers, Mexico and Brazil, also experienced perceptible reductions in manufacturing output by 3.4 per cent and 2.2 per cent, respectively. Ecuador was among the few countries with an increase of manufacturing output (1.4 per cent). It remains to be seen how hard the continent has been hit by the pandemic, as public health data are indicating the emergence of a new hotspot in the region. Compared to the first quarter of 2019, growth estimates based on limited data availability for African countries generally indicated a slight increase of manufacturing output by 0.2 per cent following years of varying growth rates.

Among others, Nigeria's manufacturing output rose by 0.6 per cent, whereas Senegal's output decreased by 1.4 per cent. In the other developing economies country group, manufacturing output increased noticeably by 1.7 per cent

cent in Eastern European countries compared to the same period of the previous year. This expansion of manufacturing output was mainly attributable to Turkey (as was the case in the previous quarter), its output rising by 4.7 per cent in the first quarter of 2020. It remains to be seen whether this trend reflects stabilization of Turkey's manufacturing sector. Other countries with a noteworthy growth rate in manufacturing production include Moldova (3.7 per cent), Serbia (3.0 per cent) and Greece (1.5 per cent). By contrast, Bosnia and Herzegovina's, Romania's and Croatia's manufacturing output fell by 8.0 per cent, 7.5 per cent and 3.8 per cent, respectively, compared to the first quarter of 2019.

(Source: World Manufacturing Production- Statistics for Quarter I, 2020; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

## **INDIAN MANUFACTURING SECTOR**

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

### Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 5% during FY16 and FY20 as per the annual national income published by Government of India. The sector's GVA at current prices was estimated at US\$ 397.14 billion in FY20PE.

Business conditions in the Indian manufacturing sector continue to remain positive. The manufacturing component of IIP stood at 129.8 during FY20. Strong growth was recorded in the production of basic metals (10.8%), intermediate goods (8.8%), food products (2.7%) and tobacco products (2.9%). India's Index of eight core industries stood at 131.9 in FY20.

Merchandise export decreased 4.78% y-o-y to reach US\$ 314.31 billion in FY20.

### Investments

With the help of Make in India drive, India is on a path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and an increasing purchasing power.

According to the United Nations Conference on Trade and Development (UNCTAD), India ranked among the top 10 recipients of Foreign Direct Investment (FDI) in South Asia in 2019, attracting US\$ 49 billion—a 16% increase from the previous year.

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 88.45 billion during April 2000 March 2020.

India has become one of the most attractive destinations for investment in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- In May 2020, Sterling and Wilson Solar Limited (SWSL) bagged an Engineering Procurement Construction (EPC) contract in Australia for Rs 2,600 crore (US\$ 368.85 million).
- In March 2020, Oricon Enterprises entered into a joint venture agreement with Italy-headquartered Tecnocap Group to set up a new company, Tecnocap Oriental, for manufacturing lug caps.
- In September 2019, Mumbai got its first metro coach manufactured by state-run Bharat Earth Movers (BEML) under the 'Make-in-India' initiative.
- In October 2019, Berger Paints India Ltd, a Kolkata-based company, acquired 95.53% stake of

### Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

*Note: Conversion rate used in September 2020, Rs 1 = US\$ 0.013585*

*(Source: Manufacturing sector in India - India Brand Equity Foundation - [www.ibef.org](http://www.ibef.org))*

## **INDIAN POWER INDUSTRY**

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

By 2022, solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower. The target for renewable energy has been increased to 227 GW by 2022.

Total installed capacity of power stations in India stood at 373.43 GW as of October 2020. Electricity production reached 1,252.61 billion units (BU) in FY20.

### **Investment Scenario**

Between April 2000 and September 2020, the industry attracted US\$ 15.23 billion in Foreign Direct Investment (FDI), accounting for 3% of total FDI inflow in India.

Some major investments and developments in the Indian power sector are as follows:

- In December 2020, The Asian Development Bank (ADB) and Government of India signed a US\$ 132.8 million loan to strengthen and modernise the distribution network and improve quality of power supplied to households, industries and businesses in Meghalaya.
- In March 2020, the Central Government signed virtual agreement to conclude strategic sales in Kamarajar Port Ltd, THDC India Ltd and North Eastern Electric Power Corporation Limited (NEEPCO), and it will receive ₹ 13,500 crore (US\$ 1.93 billion) from these deals.
- In December 2019, NTPC announced investment of ₹ 50,000 crore (US\$ 7.26 billion) to add 10GW solar energy capacity by 2022.
- In August 2019, Sembcorp Industries, the Singapore-based energy firm, made an equity infusion of ₹ 521 crore (US\$ 101.6 million) into Sembcorp Energy India Ltd.
- Brookfield will invest US\$ 800 million in ReNew Power.
- In September 2019, Adani Transmission planned to acquire the entire stake in Bikaner Khetri Transmission.
- ReNew Power and Shapoorji Pallonji will invest nearly ₹ 750 crore (US\$ 0.11 billion) in a 150 megawatt (mw) floating solar power project in Uttar Pradesh.
- The Government of India expected to offer nearly 20 power transmission projects worth ₹ 16,000 crore (US\$ 2.22 billion) for bidding in 2019.

### **Government Initiatives**

- The Government of India has identified power sector as a key sector of focus to promote sustained industrial growth. Some initiatives by the Government to boost the Indian power sector are as below:
- As per the Central Electricity Authority (CEA) estimates, by 2029-30 the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.
- Solar tariffs in India have reduced from ~ ₹ 7.36/kWh (US 10 cents/kWh) in FY15 to ₹ 2.63/kWh (US 3.57 cents/kWh) in FY20.

- On November 17, 2020, Energy Efficiency Services Limited (EESL), a joint venture of PSUs under the Ministry of Power and Department of New & Renewable Energy (DNRE), Goa, signed a memorandum of understanding to discuss roll-out of India's first Convergence Project in the state.

### The Road Ahead

- The Government of India has released its roadmap to achieve 227 GW capacity in renewable energy (including 114 GW of solar power and 67 GW of wind power) by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.
- Coal-based power-generation capacity in India, which currently stands at 199.5 GW, is expected to witness total installed capacity addition of 47.86 GW by 2022.

Source: Ibef

## INDIAN WIRES AND CABLES MARKET

The wires and cables sector is a direct beneficiary of development of power generation and distribution Infrastructure, as the market comprises nearly 40% of the electrical industry in India. The industry is projected to grow a CAGR of about 11% to reach ` 1,000-1,100 Billion by FY 2023-24. India has also become a net exporter of cables and wires propelled by double-digit annual growth of 12% from 2009 to 2019.

Wires and Cables Typically, wires consist of single conductor and cables are assembly of one or more conductors that are used for the transmission of electricity, data or signals. Types of wires and cables include:

**Power Cables** - used for the transmission and distribution of electricity from power generators (thermal, solar and wind solar plants) to sub-stations and thereon for power supply to end-user segments, such as residential, commercial (airports, metro, hospitals, etc.) and industrial units.

**Building Wires** - used for electrical wiring of residential and commercial buildings such as metro, hospitals, offices, etc.

**Telecom Cables** - used for transmission of voice and data

**Control and Instrumentation Cables** - used for process control applications.

**Other types of cables** - flexible cables used for industrial sectors of consumer appliances, automotive, railways, mining, etc., specialty cables for marine, oil and gas offshore/ onshore, anti-theft cables, etc.

**Optical fibre cables** - Cables with glass fibre core used for long distance telecommunication, providing a high-speed data connection etc.

Wires and Cables are also classified on the basis of core structure of the conductor metal (majorly copper and aluminium), number of cores, type of insulation material and arrangement, etc.

Power and electrical cables are segmented into the following, based on voltage capacity:

Low Tension / Voltage Cables (1.1 kV and below)

High Tension / Voltage Cables (above 1.1kV to 33 kV)

Extra High Voltage Cables (66 kV and above)

Major users of power cables are the power sector (central, state, and private electricity utilities) and sectors like petrochemicals, mining, steel, non-ferrous, shipbuilding, cement, railway, and defence. The performance and durability of cables depend on the quality of raw materials. Specialised applications require superior chemical, mechanical, thermal, and electrical performance from cables, resulting in usage of high-performance materials in cable construction.

Wires and cables make approximately 40-45% of the electrical industry. Domestic wires and cables industry is estimated to be over ` 500 billion declining in mid double digits in FY 20 marred by challenges on various fronts. Sluggish macroeconomic conditions, lower infrastructure investments and weak consumer sentiment, resulted in

poor growth for end-user industries thereby hurting demand for wires and cables. Softening commodity costs further reduced the value realisation of all large players.

Outbreak of COVID-19 and subsequent nationwide lockdown impacted the industry significantly as March month typically tends to be prime sales period. Having said that, wires and cables, being playing a vital part in all major sectors including power, housing, real estate, urban development, transport, roads, telecommunication, industrial and rural development, is likely to see a pickup in demand with the normalisation of economic activities.

Government of India is consistently placing strong emphasis on making India self-reliant with numerous supportive measures. It has made infrastructure, rural and industrial growth as its prime focus. Government also has a long-term strategy for boosting electricity generation and per capita consumption, which will be achieved through expansion of transmission and distribution networks and universal electrification programme. Demand will further be driven by urbanisation, affordable housing and electrification of transport systems and digital India mission.

Further to that, retail business of wires is booming because of growing consumer involvement, brand consciousness, safety awareness and pan-India distribution network of organised market players. Global cables market is estimated to be around USD 145 billion, with Asia-Pacific region contributing about 40% of the total, followed by Western Europe and North America. Of the total, about USD 38-40 billion of cables is currently imported from various countries. With Government's rejuvenated efforts to promote local manufacturing and exports, Indian companies with robust manufacturing and supply capabilities to serve the sizeable global demand could be key beneficiaries.

Growth in the sector is primarily driven by the recent development push in power and infrastructure segments, supported by the Government policies, renewable energy push and Government schemes for electrification, housing development and smart cities. The wires and cables industry comprises a large number of small and medium manufacturers and a few large and branded players with both domestic and export capabilities. Organized players' share in the market is constantly growing and is expected to touch 79% by FY 2023-24 from 68% in FY 2018-19. Implementation of GST, improved efficiency and a balanced cost structure are some factors contributing to the growth of organized sector in India. Further, growing middle class incomes and customer involvement in electrical purchase and preference for quality and brand are driving the growth of organized players in the retail wires and cables market.

*Source: Annual Report of various listed market players*

## **Common demand drivers and government polices impacting the electrical products industry**

### **Government initiatives**

DELP/UJALA: The Domestic Efficient Lighting Programme ("DELP") scheme, inaugurated in January 2015, aims to replace 770 million incandescent bulbs with energy efficient LEDs in the residential sector across 100 cities by March 2019. This scheme was later renamed to Unnat Jyoti by Affordable LEDs for All on May 1, 2015. Residential consumers were to be provided with high quality LED bulbs at a concessional rate of Rs 100-105. As of July 2018, the government has distributed over 300 million LEDs across India, having saved about 39 billion kWh of energy and Rs 150 billion in costs. Falling LED bulb prices along with growing low-cost housing can boost mass adoption of LED bulbs at affordable prices.

DDUGJY: Because of the Deendayal Upadhyaya Gram Jyoti Yojana, several factors to boost power demand in the agriculture sector in next five years. These factors include rural electrification, segregation of agricultural and non-agricultural feeders, strengthening and augmentation of T&D infrastructure in rural areas and metering of transformers/feeders/consumers.

*Source: DDUGJY*

Since electrification of a village means electrification of at least 10% of its households, a village declared electrified under DDUGJY does not indicate all the households in the village are electrified. While 95% rural electrification has been completed as of May 2017, approximately 44 million households are still not electrified, while 45% of the villages are yet to be electrified. Thus, a strong growth potential exists in rural areas, which would be achieved under DDUGJY scheme between fiscals 2018 and 2022.

**SLNP:** Launched on January 5, 2015, the Street Lighting National Programme targets replacement of 14 million conventional street lights in India with smart LED variants by 2019.

**UDAY:** The Ujwal Discom Assurance Yojana scheme was launched on November 20, 2015, to help state discoms recover from huge accumulated losses and piling debt, and supplement efforts for rural electrification and overall infrastructure development. With almost all major states (except West Bengal) joining UDAY scheme and bonds, the debt and interest burden of discoms has been reduced, resulting in higher liquidity. With operational parameters showing signs of improvement, the difference between Average Cost of Supply (“ACS”) per unit of power and per unit average revenue realized (“ARR”), also called ACS-ARR gap, and AT&C losses have reduced. Improved liquidity will enable the discoms to invest in strengthening its distribution networks, which would help them further bring down AT&C losses and reduce the ACS-ARR gap.

**SAUBHAGYA:** The government is aiming to boost residential power demand through the Pradhan Mantri Sahaj Bijli Har Ghar Yojana scheme. Assuming monthly consumption of such households at 100 kWh/ month, the scheme, if implemented successfully, has the potential to increase power demand by 45- 50 BUs (approximately 4% of the power demand in fiscal 17). Nevertheless, such an increase would be gradual and depends upon the discoms’ ability to provide reliable and uninterrupted supply to such households. Thus, even after achieving the last mile connectivity under Saubhagya scheme, discoms, to cut AT&C losses, would still be reluctant in providing continuous supply to these households.

### **Growth Drivers**

The Wire and Cable sector continues to remain in focus, especially, with the outlay of ₹ 2.6 lakh crore announced by the Government for the five-year period ending FY2022. There is also a sharper focus on high voltage transmission lines along with the Government’s aims to provide 24×7 power, which is opening up opportunities in the sector. DISCOMS which have joined the UDAY scheme are expected to improve their T&D infrastructure through renewed investments. The government’s target of generation of 100 GW of solar energy by 2022 and measures such as excise duty exemption for ferro-silicon magnesium used for manufacturing components for wind-operated electric power generators have augmented the demand for electrical wires and cables.

Global investors now consider India as a potential market for high voltage (HV) and extra high voltage (EHV) cables. These investors increase their investments in the Indian cable market through technical collaboration with Indian cable manufacturers for production of EHV cables up to 400 kV. With increasing focus on renewables, the industry is now looking forward to supplying cables for solar and wind power applications in addition to oil and gas, railways and other specialized segments. In addition, there will be an increased demand for wires and cables when the acceptability of Electric Vehicle (EV) picks up. Some amount of wire will also be required to set up EV charging infrastructure.

*Source: Business Standard*

### **Housing for All by 2022**

In the bid to provide ‘Housing for All’ by 2022, the government launched the Pradhan Mantri Awas Yojana (“PMAY”) in June 2015. It is to be implemented through four components – slum redevelopment, affordable housing in partnership, credit-linked subsidy, and subsidy for beneficiary-led housing.

### **Government’s focus on improving electrification**

The government has introduced various schemes with specific objectives targeted at different sections of the country. It is expected schemes such as DELP, UJALA, and SLNP to drive demand for LED bulbs in the lightings segment, helping cost reduction and energy savings. Initiatives such as Saubhagya and DDUGJY could spur growth for electrical products for household purposes as well as for rural infrastructure. The revival of discoms through UDAY can support the implementation of the government’s electrification initiatives.

### **Make in India**

The campaign looks to increase the share of manufacturing in GDP from 16% to 25%. The capital goods policy aims at increased production of capital goods from the current Rs 220 billion to Rs 750 billion by 2025. Increased



electricity consumption due to a focus on manufacturing will increase demand for electrical products for industrial and commercial applications.

### **SMART cities mission**

The government introduced the Smart Cities Mission in June 2015 for the development of 100 smart cities from fiscals 2017 to 2020, to meet the infrastructure and services expectations of citizens. The objective of the mission is to promote cities that provide core infrastructure and smart solutions to citizens apart from giving them a clean and sustainable environment and a decent quality of life. These selected cities, once developed, will create a model expected to be replicated by other cities in the country over the course of time.

The central government will contribute Rs 5 billion per city (Rs 2 billion in the first year and Rs 1 billion each for the next three years) in a phased manner. The rest will be met through a combination of contribution from the state government, PPP, debt, user charges and convergence with other existing schemes such as Atal Mission for Rejuvenation and Urban Transformation, Pradhan Mantri Gramin Awas Yojana (PMAY) etc. A special purpose vehicle (“SPV”) will implement the Smart City Mission and be responsible for planning, approving, releasing funds, and monitoring the progress of the projects. The SPV’s board will include nominees of the central as well as the state governments, along with nominees of the respective urban local body, to monitor the progress and utilisation of funds provided by the government.

## OUR BUSINESS

*Some of the information 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 “Forward Looking Statement” on page 15 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors” on page 21. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.*

*Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020 included in this Prospectus. For further information, see “Financial Statements” on page 148.*

*In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to V-Marc India Limited.*

### Overview

We are engaged in manufacturing and marketing of wires and cables under the brand name “V-Marc”. Our Promoter Vikas Garg commenced business in a partnership firm in 2006 as a manufacturer and distributor of PVC insulated wires and cables and have over the years, evolved, expanded and diversified to become an established manufacturer of wires and cables with a total income of ₹ 17,164.44 lakhs in Fiscal 2020. We manufacture and sell a diverse range of wires and cables and our key products are single & multistrand cables, CCTV cables, LAN cables, coaxial cables, telephone switchboard cables, power cables (LT and HT cables upto 33kv grade), flexible & control cables, core flat cables, solar cables, wires and aerial bunched cables. Our products are also certified as compliant with various quality standards including Bureau of Indian Standards (“BIS”) and Certiva Limited (“CE”).

We sell our products through a diversified sales & distribution mix, majorly by 1) securing government tenders for supply to government projects 2) supply to EPC contractors for turnkey projects and 3) our dealer & distribution network and direct sales to few private companies. We have completed 40, 25 and 19 government contracts during the financial year ended March 31, 2020, 2019 and 2018, respectively. For the nine months period ended December 31, 2020, our completed and ongoing government contracts totals 26. Over our operating history of more than a decade, we have supplied our products for various industries including power, real estate, telecom, and railways. We have an established supply chain comprising our network of authorized dealers and distributors. As on December 31, 2020 we have a dealer network of more than 650 dealers, (*out of which we have billed to around 354 dealers during the nine months period ended December 31, 2020*) who are spread over 12 states. We supply our products directly to our authorized dealers and distributors who in turn supply our products to various retail outlets in India. As on December 31, 2020, we have 1 warehouse and 5 sales depots to manage our supply chain operations. Further we had customers situated in around 21 states based on fiscal 2020.

We have two manufacturing facilities which are located at Haridwar, Uttarakhand. As on date of the Prospectus, we have a combined installed production capacity of 71,100 km p.a. Over the years, we have made continuous investments in our manufacturing infrastructure to support our product portfolio requirements and reach. We propose to set-up a new manufacturing facility with an additional installed capacity of 11,520 km p.a. With our proposed manufacturing facility, we aim to expand our manufacturing capabilities by way of installation of Catenary Continuous Vulcanization (CCV) Technology as well as increase our installed capacities for our existing product portfolio. For details, please refer chapter titled “*Objects of the Issue*” beginning on page 69 of the Prospectus. Our capabilities as a Company includes strict quality assurance system, in-depth production designing experience and established marketing and distribution relationships. We strive to deliver customized products and provide quality services. Our Unit I is accredited with ISO 9001:2015 and ISO 14001: 2015 certifications.

Our Company is promoted by Vikas Garg and Meenakshi Garg. Our Promoters supported by our dedicated team manage and control the major affairs of our business operations. We believe our success is the result of sustained efforts over the years in key aspects of our business, such as product portfolio, process improvements, ability to secure government tenders, relationship with our dealers and increased scale of operations.

Our vision is to provide qualitative products at competitive prices. We have also been awarded by National Productive Council as MSME Unit of the Year 2015-2016.

For the nine months ended December 31, 2020 and for Fiscals 2020, 2019 and 2018, our revenue from operations was ₹13,036.40 lakhs, ₹17,124.94 lakhs, ₹20,495.00 lakhs and ₹14,350.93 lakhs, respectively, growing at a CAGR of 9.22% between Fiscal 2018 and Fiscal 2020. Our EBITDA for the nine months ended December 31, 2020 and for Fiscals 2020, 2019 and 2018 was ₹1,030.84 lakhs, ₹1,304.95 lakhs, ₹1,316.02 lakhs and ₹986.18 lakhs respectively, growing at a CAGR of 15.01% between Fiscal 2018 and Fiscal 2020, while our profit after tax for the nine months ended December 31, 2020 and for the Fiscals 2020, 2019 and 2018 was ₹ 401.58 lakhs, ₹ 464.60 lakhs, ₹ 488.95 lakhs and ₹ 223.66 lakhs respectively, growing at a CAGR of 44.06% between Fiscal 2018 and Fiscal 2020.

### ***Impact of COVID-19 on our business operations***

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. Our manufacturing operations were shut down from March 22, 2020 to May 03, 2020 and we resumed our operations in a phased manner and were fully operational by August 2020. The demand for our products is dependent on and directly affected by factors affecting industries where our products are applied. For eg. many of our government clients projects were halted. We faced increased inventory levels during the first few months of the pandemic due to virtual halt of the operations. Despite the impact of the COVID-19 pandemic, our revenue from operations stood at ₹13,036.40 lakhs during the nine months ended December 31, 2020 due to increased focus on retail sales.

Though India is in stage of initial distribution of vaccines, we cannot predict the timelines as to when the vaccines shall reach at mass level. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future.

### **Our Strengths**

We consider our business strengths to be the following:

#### ***Wide product portfolio with focus on quality***

We have gradually diversified, expanded and evolved our operations to an installed capacity of 71,100 km p.a. as on date of the Prospectus. As on December 31, 2020, our product portfolio consists of various types of wires & cables. We engage in continuous manufacturing of new varieties based on the orders of our customers to keep up with the trends and meet our customer requirements. We also propose to set up a new facility to manufacture certain higher value products. We believe that maintaining a wide range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment and capture higher market share.

Our Company believes in qualitative manufacturing and adheres to various qualitative standards. Our products undergo quality check at various levels of production. to ensure that any quality defects or product errors are rectified on real time basis. Our products are also certified as compliant with various quality standards including Bureau of Indian Standards (“BIS”) and Certiva Limited (“CE”). We have an in-house laboratory for quality control purpose which have 11 employees as on December 31, 2020. We believe that focus on quality are the key strengths for our success over the years. Our qualitative approach has helped us obtained status of a recognised vendor with many PSUs and government companies who require to source their demand of cable and wires from list of approved vendors only.

#### ***Diversified and marquee customer base across varied geographies***

We sell our products through a diversified sales & distribution mix, majorly by 1) securing government tenders for supply to government projects 2) supply to EPC contractors for turnkey projects and 3) our dealer & distribution network spread over 12 states and direct sales to few private companies. We have a diverse customer base comprising government companies, PSUs, retailers, distributors, dealers and contractors in a range of industries including power, real estate, telecom and railways. We believe that our qualitative products at competitive prices has allowed us to enhance our relationships with existing clients and to secure orders from new customers. Further we have a widespread presence with our customers being located across geographies enabling us to supply products in around 21 states during financial year ended March 31, 2020. Our diverse customer base across industries and located at varied geographies reduce our dependence on any one industry or customer or location and provides a natural hedge against market instability in a particular industry or location.

#### ***Our distribution network***

We supply our products directly to our authorized dealers and distributors who in turn sell our products to various retail outlets in India. Further, we supply our products to our direct customers including private companies, EPC contractors and government companies through direct sales. One of our key strengths to enhance our consumer reach and increase our retail presence is our dealer and distribution network. As on December 31, 2020 we have a dealer network of more than 650+ dealers with a presence of over 12 states. We have maintained long term relationships with most of our key dealers. We believe our dealer relationships are led primarily by our ability to provide a wide range of products, meet stringent quality and technical specifications and providing better pricing and delivery terms than that of our competitors. The table below sets forth the number of dealers and distributors on YOY basis (based on the number of dealers and distributors we have billed in the respective periods):

<b>As of and for the nine months ended December 31, 2020</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
354	448	437	389

The table below describes the geographical distribution of our dealers' network as on December 31, 2020 (based on the number of dealers and distributors we have billed):

East	18
West	33
North	181
Central	122
<b>Total</b>	<b>354</b>

We have 1 warehouse located at Haridwar, Uttarakhand and 5 sales depots across 5 states in India. Our sales depots are typically located in close proximity to our authorized distributors, authorized dealers and direct customers to ensure timely supplies and faster deliveries. The close proximity of our sales depots to our customers also enables us to mitigate the additional costs of transportation. These regional sales depots also act as the localised point of contact for our business in the respective regions. We also have one branch office in New Delhi which is specifically dedicated for prospective government tenders/orders. Our dealers network is aided by our capable in-house sales and marketing team which liaise with the dealers on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. Our sales and marketing team has 36 dedicated employees and is responsible for increasing pan-India reach of our products.

#### ***Experienced management and dedicated employee base***

We have an experienced management team with significant expertise in the wires and cables industry. Our management team has collectively many years of entrepreneurial and managerial experience in our industry. We consider this facilitates effective operational coordination and continuity of business strategies. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships.

Our experienced management team is led by Vikas Garg, our Chairman and Managing Director, who has approximately 20 years of experience in our industry. Other members of the senior management team such as Sandeep Srivastava, Suresh Chandra Chandola and Shiv Kishore Rai, also have extensive industry experiences in their respective fields. We had 187 employees as of December 31, 2020 across our key business verticals, excluding contract employees. We believe that the experience and relationships with various stakeholders that our management team has, have enabled us to extend our operating capabilities, improved the quality of our products, continuously innovate our processes and achieved our growth in our industry.

#### **Our Strategies**

Our business strategies include the following:

##### ***Setting up a new state-of-the-art manufacturing facility***

We propose to set up a new state-of-the-art manufacturing facility which shall expand our technological capabilities and enable us to manufacture high voltage cables, produced by dry/nitrogen gas cure technology by way of installation of Catenary Continuous Vulcanization (CCV) line. This shall enable us to bid for certain tenders for electricity boards for which requires products manufactured from such technology as a technical specification. Further with the proposed manufacturing facility, our installed capacities for our existing product portfolio shall also increase. This shall help us cater to newer and existing segments in a better manner. For further details regarding our proposed manufacturing facility, please refer chapter titled "*Objects of the Issue*" on page

69 of the Prospectus. We believe with our knowledge and experience in our industry segment, we are well poised to leverage the opportunity this industry offers. We shall continue to strive to offer high qualitative and diverse products and keep up with industry trends to meet evolving preferences of customers.

***Expand our dealer network in existing markets and increase our presence and retail sales***

We aim to focus on increasing our penetration in our existing markets and thereby increase our domestic presence by expanding our dealers’ network. As a business strategy, we intend to expand our dealers’ network in Tier-2 cities, Tier-3 cities and rural areas as we believe that there are significant untapped opportunities in these cities for us to capitalise to grow our business operations. Further we are yet to fully penetrate domestic markets in the states of Haryana, Himachal Pradesh and Jammu & Kashmir which we believe has huge addressable market. We aim to appoint additional/new dealers in these states to strengthen/develop our network and increase our business operations in such states. In the states, where we have a large dealer network and an established presence like Uttar Pradesh, Chhattisgarh, Maharashtra, Madhya Pradesh and Uttarakhand, we are majorly present in Tier-1, Tier-2 and metro cities. In such states we aim to deepen our penetration by engaging dealers at selective Tier-3 cities and rural villages. We will therefore continue to grow our dealers’ network in line with the growth of our business operations. We also continually evaluate the need to set-up new regional depots in various states which should help us in better inventory management and support our distribution model in the said state.

***Increase our geographical reach by exploring international markets***

At present, we are supplying only domestically and are yet to explore international markets. We intend to explore international markets by appointing dealers or agents at strategic locations, create local presence etc. We believe that our brand and reputation and ability to provide qualitative, wide range of products at competitive prices will help us to develop an international presence. We also intend to establish our brand recognition in overseas markets by participating in international trade exhibitions.

***Strengthen our brand value***

We intend to make consistent efforts to strengthen our brand “V-Marc” and enhance our brand visibility by undertaking various marketing initiatives and gradually increasing our advertising and publicity expenses in line with the growth in our business operations. In this direction, we have recently appointed an advertising agency who has further appointed an artist to increase our brand’s mass appeal. We plan to put up hoardings, displays at strategic locations such as airport, main markets, etc., distribute promotional materials and increase digital media advertising activities. Further we also strategize to increase advertising in print media and television campaigns and increase one-to-one interactions with our authorized distributors, authorized dealers and end-consumers by holding dealer-distributor meets at regular intervals. At the retail outlets, we intend to enhance our point of sale activities and increase our visibility through signage and displays.

***Continue to improve operating efficiencies through technology enhancements***

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

**Business Operations**

***Our Product Portfolio***

We are primarily engaged in the production and sales of a variety of wires and cables. Our products are mainly used in the power, telecom, railways and real estate sectors. Our portfolio of wires and cables primarily comprise single & multistrand cables, CCTV cables, LAN cables, coaxial cables, telephone switchboard cables, power cables (LT and HT cables upto 33kv grade), flexible & control cables, core flat cables, solar cables, wires and aerial bunched cables. We manufacture wires and cables in accordance with various indian and international standards. In addition, we may produce customized products for our customers, based on their requirements and specifications. This enables us to offer customers customized solutions based on their performance expectations.

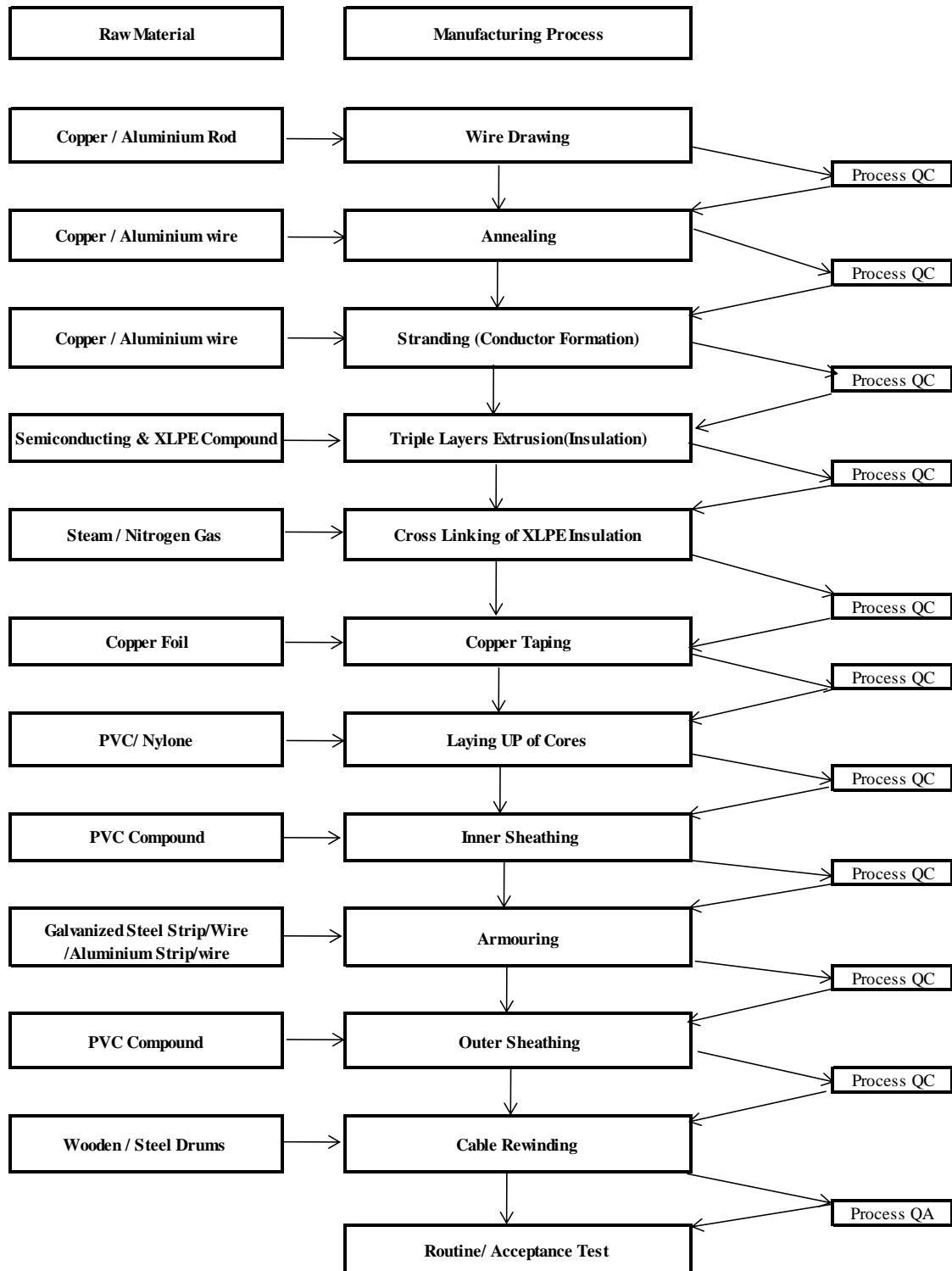
**A brief description of our key products are as follows:**

Type of the Product	Description	Our Major Varieties	Application
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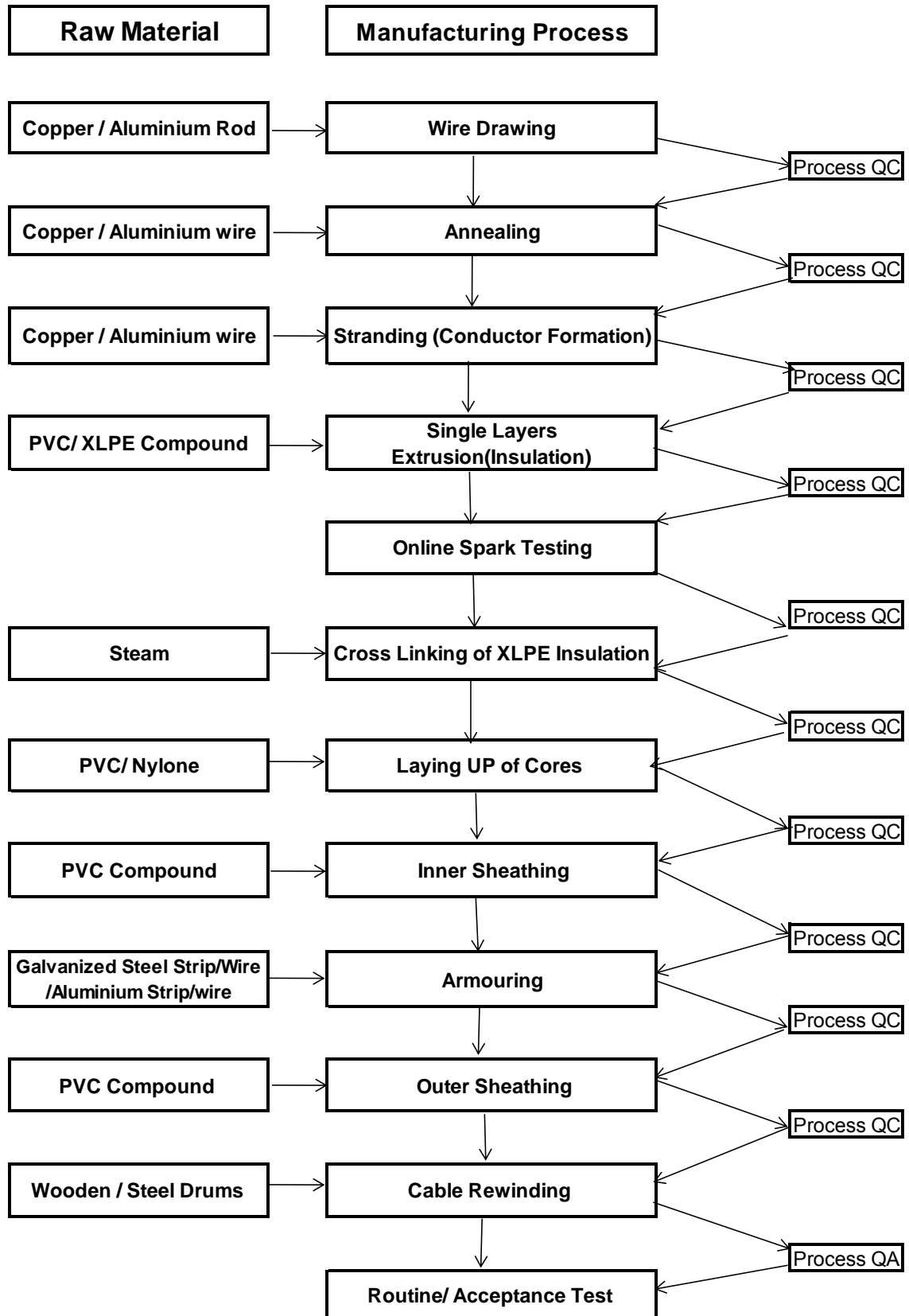
Power Cables	Power cables are principally used for power transmission and distribution systems (overhead, underground and submarine) in the power and other industries. The main structural components of power cables include conductor, insulation and sheath.	<ul style="list-style-type: none"> <li>• XLPE/PVC 3 Core Flat Cables</li> <li>• LT / HT XLPE Aerial Bunched Cables</li> <li>• LT / HT Power Cables upto 33kv grade</li> </ul>	These cables are mainly used in agriculture for wiring of motor pumps. LT/HT Cable is used for power plant and for bigger machines
Connection Cables	Connection Cables are used to transmit data from one point to various network receivers also these cables are screened special cables used for noise free communication.	<ul style="list-style-type: none"> <li>• CCTV Cables</li> <li>• LAN Cables</li> <li>• Co-axial Cables</li> <li>• DC Solar Cables</li> <li>• Switchboard Cables</li> </ul>	These cables are used for CCTV Cameras, office network, dish TV, telephone, wiring for AC, Geyser and solar plant batteries
Single/ Multistrand Cables	These cables are high flexible cables. These cables having properties of Flame retardant low smoke which protect the cables from fire.	<ul style="list-style-type: none"> <li>• Ultra Flexible Flame Retardant Cables Up to 1100 V</li> <li>• Flame Retardant Cables upto 1100 V</li> <li>• Flame Retardant Low Smoke Cables Upto 1100 V</li> </ul>	These cables are used for house wiring and industrial wiring

**Our Manufacturing Process**

A. The diagram below sets forth manufacturing process of HT cables upto 33KV Grade:



B. The diagram below sets forth manufacturing process of HT cables upto 1.1KV Grade:





The manufacturing operations described through above diagram are explain as follows-

### **Wire Drawing**

Copper /Aluminum Rods are drawn to the required size as per BIS ((Bureau of Indian Standards) through multiple dies in drawing process. During process of drawing, the size of rod reduced in a fixed percentage reduction ratio due to continuous compression and stretching of wire.

### **Annealing**

During the process of drawing wires become hard due to continuous heating and cooling effect. To achieve the flexibility of conductor, annealing process makes the wires soft by heating and natural cooling.

### **Stranding**

Copper / Aluminum Wires are stranded together to form the conductor in different shapes (circular compacted or sector shaped) as per BIS (Bureau of Indian Standards). By using compacting dies / shaping rollers, the air gaps between the wires reduces which improves the electrical conductivity and shape of the conductor after stranding process. We majorly procure semi- processed raw material in the form of conductors from our Group Company, V-Marc Electricals Private Limited and process it further to manufacture the finished product. In certain cases, we supply them with the raw materials and get the above processes on job-work basis.

### **Insulation**

The process by which a single layer of PVC/ XLPE compound applied over the conductor is called extrusion process.

### **Triple Layer Insulation**

The process by which three different layers of insulation applied over the conductor in a single operation is called triple extrusion process .This consists conductor screen, Insulation and insulation screen which is specially required for high voltage cables. These processes are mainly done through Sio- plas technology.

### **Online Spark Testing**

The insulated core is passed through an applied voltage & earth to check the defect in insulation during extrusion process.

### **Cross-Linking of XLPE**

Cross-Linking of XLPE requires heat to achieve the molecular bonding of compound which improves the mechanical and electrical properties of the insulating material.

### **Copper Taping**

Copper taping is used as a metallic screen in high voltage cables which serve the path for leakage current to the ground and also for the uniform distribution of the electrical stress over the outer layers of cores.

### **Laying Up**

The grouping of all different cores together to form cable in circular shape is known as laying up process

### **Inner Sheathing**

A protective covering applied over all the grouped cores (Laid up Cable) by wrapping or extrusion process using PVC Tape / Compound to keep cable together is known as inner sheathing process. During this special requirements of the customers such as waterproof and fire retardant properties can be fulfilled by adding some special additives to the compound.

### **Armouring**

The process of application of metallic protection which also serve the ground path to the cable over inner sheathed cable is known as armouring process. With the help of multiple galvanized wire/strips in case of Multicore cables and aluminium wire /strips over single core cables, it becomes strong enough to withstand pressure and tension during use. Certain customers may also require unarmoured products, depending upon the final application of the products.

## Outer Sheathing

A tough layer of Poly vinyl chloride with all required characteristics of Fire retardant, Fire retardant low smoke and other additive added during this final process of sheathing to protect finished cable from chemical, fire and anti- termite. All the details as per BIS and customer requirements printed or embossed over this final sheath

## Cable Rewinding

All finished outer sheathed cable were placed to final cable rewinding as well as checking for the quality of product in to their standard drum length packing.

## Routine/ Acceptance Test

Performing in-house routine test to check the integrity of finished cables as per customer/BIS requirement & third party acceptance test by the customer representative before supply of materials

## Our Manufacturing Facilities

We currently have 2 manufacturing facilities in Haridwar located on over 6,232.75 square meters of land. Our Unit I is accredited with ISO 9001:2015 and ISO 14001:2015 certifications. The location details of our manufacturing facilities are as under:

Particulars	Address	Area ( Sq. Mtr)	Leasehold/ Owned	Purpose
Unit I	Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL, Haridwar-249403, Uttarakhand, India	4,132.75	Leasehold	Registered Office, Work, Sale & Corporate Office
Unit II	Plot N. 15, Sector 8B, SIDCUL, Haridwar-249403, Uttarakhand, India.	2100.00	Leasehold	Additional Manufacturing unit

We further propose to set –up a new manufacturing facility at Roorkee, Uttarakhand for manufacturing high voltage cables, produced by dry/nitrogen gas cure technology by way of installation of Catenary Continuous Vulcanization (CCV) line and increase our installed capacities for our existing product portfolio. For further details, please refer the chapter titled “*Objects of the Issue*”, beginning on page 69 of the Prospectus.

## Capacity and Capacity Utilization

The details of the installed production capacity, actual production and capacity utilisation at our Unit I for the nine months period ended December 31, 2020 and Fiscals 2020, 2019 and 2018, are set forth below:

Particulars	Existing			
	2017-18	2018-19	2019-20	2020-21
Total installed Capacity (Km)	63,600.00	63,600.00	63,600.00	63,600.00
Utilized Capacity (Km)	29,579.14	33,183.13	26,262.59	18,686.87
Utilized Capacity (%)^	46.51	52.18	41.29	39.18

<sup>^</sup> Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year/ period divided by the aggregate installed capacity of the manufacturing facility as at the end of the relevant fiscal year/ period. In the case of capacity utilization for the nine months ended December 31, 2020, the capacity utilization has been calculated by dividing the actual production for the period by 75% of the annualized installed capacity.

The above information has been certified by our statutory auditor, M/s. Rajeev Singal & Co., Chartered Accountants, by certificate dated February 06, 2021.

Further, we have capitalised plant and machinery of Unit II in August 2020 which has an installed capacity of 7,500 km p.a.. Hence, details of past capacity utilisation is not available as on the date of this Prospectus.

## Procurement and Raw Materials

Our principal raw material are various types of aluminium rods, copper rods/wires, galvanized iron wires (G.I. wire), insulation materials such as PVC, XLPE etc. We majorly procure conductors from our Group Company, V-Marc Electricals Private Limited and process it further to manufacture the finished product. In certain cases, we supply them with the raw materials and get the same processed in conductor form on job-work basis.

We usually do not enter into long-term supply contracts with any of our raw material suppliers. However, our relationship with our customers and repeat business from them has also allowed us to develop a long-standing relationship with various raw materials suppliers. The purchase price of our raw materials generally follows market prices.

### **Pricing**

We determine the prices for our products based on various parameters, including market demand, transportation costs, raw materials costs, inventory levels and credit terms and sometimes it is fixed for particular customer/dealers to maintain the relationship.

### **Utilities**

We consume a substantial amount of power and fuel for our business operations. Our power requirements are met through state electricity boards. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture our products for which we have taken separate feeder connection for continuous supply of power. To meet exigencies in case of power failure, we have also installed D.G. sets at our Unit I. We utilise ground water and water supply from local authorities to meet water requirements for our manufacturing process.

### **Sales and Marketing**

Our business operations and products primarily cater to the various state electricity boards and government departments, PSUs, few private companies and business-to-consumer segment. The government contracts are secured through tenders subject to fulfilment of certain criteria.

Our clients typically advertise for potential projects on their websites and in newspapers. Our Company has a sales and marketing team which reviews newspapers and official websites of various authorities and government project tender aggregators where details of potential projects are typically listed to identify projects that could be of interest to us. After such projects are identified, the department seeks approval of the management in order to determine if the identified projects are to be pursued.

Our Company's sales and marketing team is responsible for applying for pre-qualifications and tenders. The planning and marketing team evaluates the credentials of our Company vis-à-vis the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid.

Further for our business to consumer segment, we have appointed regional marketing heads in our key states who maintain direct contact with majority of our dealers and customers which allows us to understand the technical needs and specifications, evolving preferences of our customers as well as their future requirements.

We have in-house teams of 36 employees as on December 31, 2020, which looks after the sales and marketing of our products. The sales teams are also segregated geographically and are responsible for the sales of our products at the ground level. Our in-house team work closely with our dealers and customers or prospective customers to design products tailored to meet their specific requirements.

### **Inventory Management**

Our finished products and raw materials are mainly stored on-site at our manufacturing facilities. Further we stock finished goods for regional inventory management at our regional depots also. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders.

### **Dealer Network and Customers**

Our customer base currently comprises of government clients, PSUs, various EPC contractors, few private companies and our dealer network. For the nine months period ended December 31, 2020, we manufactured products for over 404 customers. Our customers majorly uses such products in power, real estate, telecom and infrastructure.

The following table sets forth the number of customers for whom we have manufactured products for during the periods indicated.

Particulars	As of and for the nine months ended December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Government	11	18	13	10
EPC	24	32	33	14
Dealers & distributors	354	448	437	389
Others	15	30	30	22

The government projects are secured through tenders. We do not enter into formal agreements with our dealers and supply our products to them based on purchase orders issued. However, we have maintained long-standing relationships with most of our key dealers.

### **Logistics**

We transport raw materials and finished products primarily by road. Our suppliers directly deliver our raw materials to our manufacturing facilities. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the dealer and Company.

### **Competition**

The Indian wires & cables Industry is fragmented in nature. The Indian wires & cables industry has been gradually moving from a largely unorganised sector comprising smaller regional players towards an organised sector owing to increasing technological and product complexities, growing marketing and branding activities by organised players. We mainly compete with large organised companies and smaller regionally based competitors. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in customer decisions among competitors, however, price and quality are the deciding factor in most cases. Among listed companies of similar size and product portfolio, we face competition from listed companies like Cords Cables Industries Limited, Ultracab (India) Limited and CMI Limited.

### **Information technology**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our Manufacturing Facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers.

### **Repair and maintenance**

We conduct regular repair and maintenance programs for our manufacturing facilities. Our machinery and electrical repair teams carry out periodically maintenance and repair of the plants and machinery on an as-needed basis. In addition, our manufacturing facilities are periodically inspected by our engineers and technicians.

### **Quality Control**

We place significant emphasis on quality control. Our quality management system with respect to our Unit I at Haridwar have been certified to conform to ISO 9001:2015, subject to audits conducted by independent consultants at regular intervals.

We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Each of our manufacturing facilities has personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

### **Environment, Health & Safety**

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. For further information, see “*Key Industry Regulations and Policies*”

beginning on page 115. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see “*Government and Other Statutory Approvals*” beginning on page 173.

Our Unit I situated at Haridwar has been certified to conform to ISO 9001:2015 to certify that Quality Management System of the Company has complied with the Requirements of the standard for the manufacture and supply of all kinds of LT/HT cable and 14001:2015 to certify that Environment Management System of the Company has complied with the Requirements of the standard for the manufacture and supply of PVC & XLPE insulated wires & cables.

### **Insurance**

Our operations are subject to various risks inherent in the wire and cable manufacturing industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, furniture and stocks (raw materials and finished goods), vehicles (ii) Burglary insurance policy and (iii) group personal accident and health insurance policy. These insurance policies are renewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. *See “Risk Factors – Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.” on page 21*

### **Employees**

We have developed a pool of skilled and experienced personnel. We also hire part-time employees and temporary staff to meet our specific contract needs. As of December 31, 2020, we had an employee base of 187 employees. The following table sets forth a breakdown of our employees by function as of December 31, 2020:

<b>Function</b>	<b>Number of Employees</b>
Sales & marketing	36
Purchase & Production	3
Management & Finance	16
Quality control, Store, Maintenance, Electrical, etc.	62
HR & Administration	2
Other Workers/Labour	68
<b>Total</b>	<b>187</b>

In addition, we contract with third-party manpower and services firms for the supply of contract labour for certain jobs at our manufacturing facilities. The number of contract labourers varies from time to time based on the nature and extent of work.


### **Collaboration**

As on date of this Prospectus, our Company has not entered into any technical or financial collaboration agreements.

### **Intellectual Property**

For details relating to our Intellectual Property, please refer to chapter “*Government and Other Statutory Approvals*” on page 173 of this Prospectus. Also refer Risk Factor - “*Our Company is in process of making an*

*application for Assignment of trademark “V-Marc” in the name of our Company and registration and assignment*

*for the trademark “” is pending” in the section titled “Risk Factors” beginning on 21 of the Prospectus.*

We have also registered the domain name [www.v-marc.com](http://www.v-marc.com) in India.

### **Properties**

Our registered office which is on leasehold basis is located at Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL, Haridwar-249403, Uttarakhand, India. As of the date of this Prospectus, we operate two manufacturing facilities in Haridwar on leasehold basis. To complement our marketing and business operations, we have 1 branch office and 5 sales depots. Our branch office and sales depots are acquired on rental basis.

Further our proposed manufacturing facility is envisaged to be set up at Khasra No. 1,2 & 6, Mukrabpur Village, Near Sanjeeda Petrol pump, Bhagwanpur Road, Kaliyar, City: Roorkee, Dist: Haridwar, Uttarakhand, India. The Company has acquired total four land parcels admeasuring to 29,239 sq.mt. in financial year 19-20 at Roorkee, Uttarakhand from various parties. Such land is owned by the Company.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*Except as otherwise specified in this Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing and marketing of all kinds of wires & cables. industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

### **APPROVALS**

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 173 of this Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

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

##### ***The Micro, Small and Medium Enterprises Development Act, 2006***

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

#### **INDUSTRIAL POLICY OF RELEVANT STATE**

##### ***Uttarakhand Micro, Small & Medium Enterprise Policy – 2015***

Government of Uttarakhand has sanctioned the “MSME Policy-2015” for promoting investment in the MSME Sector through Investment Promotion as well as to incentivize MSMEs. The Policy aims at utilizing local resources and to generate employment opportunities and promoting Self Employment, Skill Development in the Youth. The Policy shall remain in effect till 31st March 2020. Fiscal incentives and other benefits of this policy shall be available to the eligible enterprise from the commencement of production upto a maximum of 10 years or 31st March 2025, whichever is earlier.

##### ***Bureau of Indian Standards Act, 2016 (the “BIS Act”)***

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or

national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

## **ANTI-TRUST LAWS**

### ***Competition Act, 2002***

An act 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 agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to ₹ 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE**

### ***The Companies Act 1956 and the Companies Act, 2013***

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The 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 relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in 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 the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

## **EMPLOYMENT AND LABOUR LAWS**

### ***Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA 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. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms,



drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### ***Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952***

The Employees' Provident Funds 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.

### ***The Employees Compensation Act, 1923***

The Employees Compensation Act, 1923 ("EC Act") (and the amendments thereof) 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 EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC 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.

### ***Employees Deposit Linked Insurance Scheme, 1976***

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 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 scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### ***Employees' State Insurance Act, 1948 (the "ESI Act")***

The Employees' State Insurance Act, 1948 (the "ESI Act") 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. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. 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.

#### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

#### ***Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 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.

#### ***Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

#### ***Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

#### ***Equal Remuneration Act, 1979***

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

#### ***Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 (the “Child Labour Act”)***

The Child Labour Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

#### ***Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001***

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.

### ***The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013***

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### ***Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979***

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor has to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

### ***Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957***

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

## **TAX RELATED LEGISLATIONS**

### ***Value Added Tax***

Value Added Tax (“VAT”) is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which,

persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Note: The VAT Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

### ***Service Tax***

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Note: The Service Tax now has been replaced by the Goods and Service Tax (GST) Act, 2017

### ***Central Sales Tax Act, 1956***

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Note: The CST Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

### ***The Central Excise Act, 1944***

The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Note: The Central Excise Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

### ***Goods and Service Tax (GST)***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central

Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of ₹ 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be ₹ 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto ₹ 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

## **OTHER LAWS**

### ***The Factories Act, 1948 (“Factories Act”)***

The Factories Act, 1948 aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### ***Shops and establishments laws in various states***

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. The Uttarakhand Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 is applicable on our Company.

## **ENVIRONMENTAL LEGISLATIONS**

### ***The Environment Protection Act, 1986***

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### ***Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

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

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act.

### ***Hazardous Waste (Management and Handling) Rules, 1989***

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

### ***Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016***

The Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 ("Hazardous Wastes Rules") (and the amendments thereof) impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

### ***The Public Liability Insurance Act, 1991***

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

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

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- Design Act, 2000

#### ***Indian Patents Act, 1970***

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

#### ***The Copyright Act, 1957***

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

#### ***Trade Marks Act, 1999***

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.

#### ***Designs Act, 2000***

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from

known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

## **GENERAL LAWS**

- Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

## **OTHER LAWS**

### ***Foreign Trade (Development and Regulation) Act, 1992***

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### ***The Foreign Direct Investment***

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The 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 from time to time and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI issues Master Directions on Foreign Investment in India and updates 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.

Under the current applicable FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At Present, the FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 has been superseded by FEMA (Non -Debt Instruments) Rules, 2019 dated October 17, 2019 (FEMA Non-Debt Rules). The sectoral cap given in the FEMA Non-Debt Rules have come into effect from April 01, 2020.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE & BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as Asian Galaxy Private Limited at Haridwar, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated March 04, 2014 issued by the Registrar of Companies, Uttarakhand bearing Corporate Identification Number U31908UR2014PTC001066. Subsequently, our Company acquired business of partnership firm namely “M/s Asian Wire & Cable Industries” pursuant to an acquisition deed dated March 10, 2014 to carry on the business of Manufacturing and Trading of PVC Insulated Wires and Cable etc. The said partnership firm was initially formed pursuant to partnership deed dated February 16, 2006 and was amended from time to time. The initial subscribers to the MOA were also the partners in the said partnership firm. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on January 12, 2021, the name of our Company was changed to “V-Marc India Private Limited” and a fresh Certificate of Incorporation pursuant to change of name dated February 03, 2021 has been issued by Registrar of Companies, Uttarakhand. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed by the shareholders of the Company at the extra-ordinary general meeting of our Company held on February 02, 2021 consequent to which the name of our Company was changed to “V-Marc India Limited” vide a fresh Certificate of Incorporation dated February 04, 2021 issued by the Registrar of Companies, Uttarakhand. The Corporate Identification Number of our Company is U31908UR2014PLC001066.

Vikas Garg & Meenakshi Garg are the initial subscribers to the Memorandum of Association and the promoters of our Company. For further information, please refer to the chapter titled “*Capital Structure*” beginning on Page 59 of this Prospectus.

For information on our Company’s profile, activities, market, service, etc., market of each segment, capacity built-up, standing of our Company in comparison with prominent competitors, with reference to its services, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Our Industry*”, “*Financial Statements*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 102,86,148,151, and 173 respectively of this Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

At present, the Registered Office of our Company is situated at Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL, Haridwar -249403, Uttarakhand. The details of the changes in the Registered Office of our Company are set forth below:

From	To	Effective Date	Reasons
Plot No. 3, Sector IIDC, IIE, SIDCUL, Haridwar -249403, Uttarakhand.	Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL, Bahadradab - 249403, Uttarakhand.	February 18, 2019	Administrative convenience
Plot No. 3, 4, 18, 20A, Sector IIDC, Bahadradab - 249403, Uttarakhand.	Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL, Haridwar-249403, Uttarakhand.	March 02, 2019	Correction of name of Haridwar instead of Bahadradab

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Fiscal Year	Events
2014	Incorporation of the Company and Acquisition of partnership firm as “M/s Asian wires & Cables Industries”.
2015	<ul style="list-style-type: none"> <li>• Crossed the Turnover of ₹ 100.00 Crores for the first time;</li> <li>• Introduced high voltage cables upto 33 kv plant setup</li> </ul>
2016	Established Depot in the State of Madhya Pradesh and Uttar Pradesh.
2019	Crossed the Turnover of ₹ 200.00 Crores for the first time.
2020	<ul style="list-style-type: none"> <li>• Established two (2) additional Depots in Bihar &amp; Odisha.</li> <li>• Acquisition of land for setting up of proposed manufacturing facility</li> </ul>
2021	Company’s Conversion from Private Limited company into a Public Limited company.

### KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

Year	Details
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2016	NPC – 1 <sup>st</sup> prize winner “MSME Unit of the Year 2015-2016”
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## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the business of trading, manufacturing, import, export and deal in all kinds of wires & cables and all kinds of electric items.
2. To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated wire, cables, copper wire, rubber insulated wires and cables, power cable, control cable, ariel bunch cable, instrumentation cable, flexible cords, cotton or silk braided, conduct wires and cables, low and high tension wire cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated lead covered power cables, armoured or non-armoured extra high tension shielded and belted power cables telephone and telegraph cables, according to B.B.S. long distance cables, electrical switchgears and appliances, signaling cables, lead covered cables house installation, accessories of power cables alplastable cables, seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signaling purposes, aluminium cables for overhead line, bare copper, and cadmium copper wire round or grooved for tramways, Trolley buses, etc. (also cable for crane operation), bare copper and aluminium bus bars, binders and rotors bars suitable for dynamo, transformer and switchgear manufacturing, copper and aluminium wires and tapes lighting conductors, aerials of copper, bronze, phosphor bronze, aluminium varnish cambric insulated mains, furnace, H.F., ship wiring, switch boards, bell wires, fuse wires, lead, lead alloy and tinned copper and all kinds of cables, wire conductors and accessories.

## AMENDMENTS TO THE MOA OF OUR COMPANY IN THE LAST TEN YEARS

The following changes have been made to our Memorandum of Association, in the last ten years from the date of filing of this Prospectus:

DATE OF EGM/AGM	AMENDMENTS
March 06, 2014	The authorised share capital of our Company was increased from ₹ 5,00,000 consisting of 50,000 Equity Shares of ₹ 10/- each to ₹ 13,25,00,000 consisting of 1,32,50,000 Equity Shares of ₹ 10/- each.
March 02, 2015	The authorised share capital of our Company was increased from ₹ 13,25,00,000 consisting of 1,32,50,000 Equity Shares of ₹ 10/- each to ₹ 15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹ 10/- each.
February 22, 2019	The authorised share capital of our Company was increased from ₹ 15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹ 10/- each to ₹ 20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹ 10/- each.
January 05, 2021	The authorised share capital of our Company was increased from ₹ 20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000 consisting of 2,50,00,000 Equity Shares of ₹ 10/- each.
January 12, 2021	The Name clause of Memorandum of Association has been altered to the effect of the below amendment:- The name of the Company was changed from Asian Galaxy Private Limited to V-Marc India Private Limited.
February 02, 2021	a. The Name clause I of Memorandum of Association has been altered to the effect of the below amendment:- The name of the Company was changed from V-Marc India Private Limited to V-Marc India Limited pursuant to Conversion of Private Limited Company to Public Limited. b. The Object clause of Memorandum of Association has been altered to the effect of the below amendment:- Deletion of Clause III (a) which stated as: “To acquire and take over a going concern under the name and style of M/s Asian Wires & Cables Industries, a partnership firm, situated at Plot No.-3 & 4, Sector- IIDC and Plot No.-18 & 20A, Sector-8B, IIE, SIDCUL, Haridwar (Uttarakhand) along with all of the assets and liabilities of that firm on such terms and conditions as may be mutually agreed upon. The said firm shall cease to exist after such takeover by the Company.”

## HOLDING COMPANY OF OUR COMPANY

Our Company does not have a Holding company as on the date of filing of this Prospectus.

## SUBSIDIARY COMPANY OF OUR COMPANY

Our Company does not have a Subsidiary company as on the date of filing of this Prospectus.

#### **JOINT VENTURES OF OUR COMPANY**

Our Company has not entered into any Joint Venture as on the date of filing of this Prospectus.

#### **REVALUATION OF ASSETS**

There has been no revaluation of assets of our company in last 10 years from the date of this Red Herring Prospectus.

#### **MERGERS AND ACQUISITIONS IN LAST 10 YEARS**

Our Company has not merged / amalgamated itself nor has acquired any business / undertaking except acquisition of partnership firm as Asian Wires and Cable Industries, in the last ten years from the date of this Red Herring Prospectus.

#### **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY**

Our company has not divested any of its business / undertaking in last 10 years from the date of this Red Herring Prospectus.

#### **SHAREHOLDER'S AGREEMENTS**

Our Company has not entered into shareholders agreement as on date of filing of this Red Herring Prospectus except for the material shareholders agreement mentioned below under the heading '*Material agreements*' in this chapter.

#### **MATERIAL AGREEMENTS**

There are no subsisting material agreements or contracts which have been entered into by our Company prior to the date of this Red Herring Prospectus which are not in the ordinary course of business.

#### **AGREEMENT WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **STRATEGIC PARTNERS**

As on the date of filing of this Red Herring Prospectus, our Company does not have any strategic partners.

#### **FINANCIAL PARTNERS**

Apart from the various arrangements with bankers and financial institutions which our Company undertake in the ordinary course of business, our Company does not have any other financial partners as on the date of this Red Herring Prospectus.

#### **CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS**

For details pertaining to facility creation, location of plants, please see the chapter titled "*Our Business*" beginning on page 102 of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

As on the date of this Red Herring Prospectus, there have been no defaults or rescheduling of borrowings with any financial institutions / banks.

## OUR MANAGEMENT

The Articles of Association require our Board to have at least 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Prospectus, our Board comprises of 5 (five) Directors, including two Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Prospectus:

### Board of Directors

Name, Designation, Address, Occupation, Nationality, Date of birth, Term, Period of directorship and DIN	Age (in years)	Other directorship
<p><b>Name:</b> Vikas Garg</p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Address:</b> N-327, Phase-3, Shivalik Nagar, Near Chatori Gali Hotel, Ranipur Range Bhel, Haridwar – Uttarakhand - 249403</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Date of Birth:</b> March 02, 1978</p> <p><b>Current term:</b> 5 Years &amp; Liable to retire by rotation</p> <p><b>Period of directorship:</b> Since March 04, 2014 as Executive Director, and re-appointed as Chairman &amp; Managing Director on February 04, 2021</p> <p><b>DIN:</b> 05268238</p>	42	<p><i>Indian companies</i></p> <p><b>Public companies:</b> Nil</p> <p><b>Private companies:</b></p> <ul style="list-style-type: none"> <li>- Asian Ambrosia India Private Limited</li> <li>- V-Marc Electricals Private Limited</li> </ul> <p><i>Foreign companies</i> Nil</p>
<p><b>Name:</b> Sandeep Kumar Srivastava</p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> M-45, Phase – 3, Shivlok Colony, PO Ranipur, Haridwar, Uttarakhand – 249403, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Date of Birth:</b> January 01, 1977</p> <p><b>Current term:</b> 5 years and liable to retire by rotation</p> <p><b>Period of directorship:</b> Since February 01, 2020, re-appointed as Whole Time Director w.e.f. February 04, 2021</p> <p><b>DIN:</b> 08685957</p>	44	<p><i>Indian companies</i></p> <p><b>Public companies:</b> Nil</p> <p><b>Private companies:</b></p> <ul style="list-style-type: none"> <li>- Asian Ambrosia India Private Limited</li> </ul> <p><i>Foreign companies</i> Nil</p>

Name, Designation, Address, Occupation, Nationality, Date of birth, Term, Period of directorship and DIN	Age (in years)	Other directorship
<p><b>Name:</b> Meenakshi Garg</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> N-327, Phase-3, Shivalik Nagar, Near Chatori Gali Hotel, Ranipur Range Bhel, Haridwar – Uttarakhand - 249403</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Date of Birth:</b> December 25, 1981</p> <p><b>Current term:</b> Liable to retire by rotation</p> <p><b>Period of directorship:</b> Since Executive Director w.e.f. March 04, 2014, re-appointed as Non-Executive Director w.e.f. February 04, 2021</p> <p><b>DIN:</b> 05268233</p>	39	<p><b>Indian companies</b></p> <p><b>Public companies:</b> Nil</p> <p><b>Private companies:</b> - V-Marc Electricals Private Limited</p> <p><b>Foreign companies</b> Nil</p>
<p><b>Name:</b> Rajkumar Pandey</p> <p><b>Designation:</b> Independent Director (Additional)</p> <p><b>Address:</b> Plot No.15, Indra Lok Colony, Jagjeetpur, Kankhal, Haridwar, Uttarakhand – 249408.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Date of Birth:</b> July 01, 1973</p> <p><b>Current term:</b> 5 years, subject to regularization by shareholders in the ensuing AGM</p> <p><b>Period of directorship:</b> Since February 04, 2021</p> <p><b>DIN:</b> 08639710</p>	47	<p><b>Indian companies</b></p> <p><b>Public companies:</b> Nil</p> <p><b>Private companies:</b> - WMC Advisory Private Limited</p> <p><b>Foreign companies</b> Nil</p>
<p><b>Name:</b> Mukesh Bansal</p> <p><b>Designation:</b> Independent Director (Additional)</p> <p><b>Address:</b> House No II A-297, Nehru Nagar, Ghaziabad, Uttar Pradesh India 201001</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> India</p> <p><b>Date of Birth:</b> June 20, 1973</p> <p><b>Current term:</b> 5 years subject to regularization by shareholders in the ensuing AGM</p> <p><b>Period of directorship:</b> Since February 04, 2021</p> <p><b>DIN:</b> 02852531</p>	47	<p><b>Indian companies</b></p> <p><b>Public companies:</b> Nil</p> <p><b>Private companies</b> Nil</p> <p><b>Foreign companies</b> Nil</p>

Except as disclosed below none of our Directors are related to each other or to any of the KMPs as per the definition “Relative” under the Companies Act, 2013.

Name of Director	Name of Other Director	Relationship
Mr. Vikas Garg	Mrs. Meenakshi Garg	Husband – Wife

None of our directors are on the RBI List of wilful defaulters as on the date of the Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.

None of our directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s) during his / her tenure in that Company(ies).

None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on any of the stock exchange(s) during his / her tenure in that Company(ies).

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 the SEBI.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of Directors of our Company.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the abovementioned Directors was selected as director or member of senior management.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

#### **Brief Profile of the Directors**

**Vikas Garg**, aged 42 years, has been on the Board of Directors of our Company since incorporation and has been re-appointed as the Chairman and Managing Director of the Company on February 04, 2021. He holds degree of Master's of Business Administration in Marketing and is a member of PHD Chamber of Commerce & Industry. Prior to acquisition of M/s Asian Wire & Cable Industries, partnership firm by our Company, he was a partner since the incorporation of the firm in the year 2006. He possesses 20 years of experience in the manufacturing of wires & cables Industry. He looks after the technical operations, strategy and marketing plans of the Company.

**Sandeep Kumar Srivastava**, aged 44 years, has been on the Board of Directors since February 01, 2020 and has been re-appointed as the Whole-Time Director of our Company on February 04, 2021. He holds bachelor's degree in arts from Hemwati Nandan Bahuguna Garhwal University, Uttaranchal, degree of Master's of Business Administration in Finance from Himalayan Garhwal University and Junior Associate Examination of the Indian Institute of Bankers (JAIIB) from Indian Institute of Banking & Finance. Prior to joining our Company, he was associated with SBI Bank. He possesses over 20 years of experience in Credit Management, Financial Services and Banking Operations. He is responsible for financial operations of the Company.

**Meenakshi Garg**, aged 39 years, has been associated with our Company since incorporation and has been re-appointed as the Non-Executive Director of our Company on February 04, 2021. She holds Bachelor's of commerce degree from Delhi University. Prior to acquisition of M/s Asian Wire & Cable Industries, partnership firm by our Company, she was a partner in the said firm since 2010.

**Raj Kumar Pandey**, aged 47 years, is an Additional Independent Director of our Company. He is a qualified Company Secretary and member of Institute of Company Secretaries of India. He has experience of more than a decade in the field of corporate secretarial and legal compliances.

**Mukesh Bansal**, aged 47 years, is an Additional Independent Director of our Company. He holds Bachelor's degree of commerce from Meerut Vidhyalaya and Master of Commerce from Chaudhary Charan Singh University, Meerut. He is also a qualified Chartered Accountant and member of ICAI, qualified Company Secretary from ICSI and qualified Cost Accountant from ICWAI. He has over 20 years of experience in the fields of auditing, taxation, business & management consulting services, inspections and investigations.

#### **Borrowing Powers**

Pursuant to a special resolution passed at an annual general meeting of our Company held on December 15, 2020 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the

rules made thereunder, our Board has been authorised to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 50,000.00 lakhs.

#### **Compensation of Managing Director and Whole-Time Director**

We have not entered into any service agreement with the Managing Director, Mr. Vikas Garg and Whole-Time Director, Mr. Sandeep Kumar Srivastava. However, the terms and conditions, relating to remuneration and appointment of Mr. Vikas Garg and Mr. Sandeep Srivastava are set out in the board resolution dated February 05, 2021.

The details of remuneration of the Managing Director:

#### ***Mr. Vikas Garg, Chairman and Managing Director***

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	₹ 144.00 Lakhs per annum

The Managing Director shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V to the Act:—

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

The details of remuneration of the Whole Time Directors:

#### ***Mr. Sandeep kumar Srivastava, Whole-Time Director***

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	₹ 60.00 Lakhs per annum

The Whole Time Director shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V to the Act:—

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure

#### ***Payment of compensation or benefit to Directors/ officers of our Company***

Non-Executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts 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. Our Company has not paid any sitting fees to Independent Directors and Non-Executive Director in Fiscal 2020.

Further, our Company has not entered into any service contracts, pursuant to which its officers, including its Directors and Key Management Personnel, are entitled to benefits upon termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Directors and Key Management Personnel, are entitled to any benefit upon termination of employment or superannuation.

Our Company does not have any bonus or profit-sharing plan for its Directors.

There is no contingent or deferred compensation payable to our Directors.

## Shareholding of the Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company. The following table details the shareholding of our Directors as on the date of this Prospectus:

Name of the Director	No. of Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
Vikas Garg	1,25,92,100	75.02%	55.26
Meenakshi Garg	33,48,596	19.95%	14.70

## Interest of Directors

Our directors are interested in our Company in the following manner:-

- All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association;
- All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;
- All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations;
- Our directors have no interest in any property acquired by our Company or proposed to be acquired by our Company as of date of this Prospectus.
- Except Vikas Garg and Meenakshi Garg, none of our Directors have any interest in the promotion of our Company, as on the date of this Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or qualify him/her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors either to induce them to become or to qualify them as Directors except the normal remuneration for services rendered by them as Directors.

No loans have been availed by our Directors from our Company as on date of this filing of this Prospectus.

*Except as stated above and under the headings "Restated Financial Information - Annexure 34 - Related Party Transaction" on page F-26, under the section titled "Financial Statements", we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this 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.*

## Changes in our Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr. No.	Name	Date of Appointment/ change	Reason
1.	Vikas Garg	February 04, 2021	Re-appointed as Chairman & Managing Director
2.	Sandeep Kumar Srivastava	February 04, 2021	Re-appointed as Whole Time Director
3.	Meenakshi Garg	February 04, 2021	Re-appointed as Non-Executive Director
4.	Mukesh Bansal	February 04, 2021	Appointed as an Additional Independent Director
5.	Raj Kumar Pandey	February 04, 2021	Appointed as an Additional Independent



Sr. No.	Name	Date of Appointment/ change	Reason
			Director
6.	Sandeep Kumar Srivastava	December 15, 2020	Regularized in the AGM
7.	Sandeep Kumar Srivastava	February 01, 2020	Appointed as an Additional Director

### Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchange and the applicable regulations of SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchange, the SEBI Listing Regulations and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof.

Our Board of Directors is constituted in compliance with the Companies Act, Listing Agreement to be executed with Stock Exchange, the SEBI Listing Regulations to the extent applicable. Our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

### Committee of the Board in accordance with the SEBI Listing Regulations

#### Board Committees

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act 2013:

- a) Audit Committee;
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee
- e) IPO Committee

#### Audit Committee

Audit Committee was constituted vide Board Resolution dated February 04, 2021. The existing Audit Committee of our Company comprises of the following: -

- (i) Mukesh Bansal, Chairman;
- (ii) Raj Kumar Pandey, Member; and
- (iii) Sandeep Srivastava, Member;

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - i. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;

- v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties which includes omnibus approval for related parties transactions subject to conditions as specified under rules;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
  20. To investigate any other matters referred to by the Board of Directors;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

f. Statement of deviations:

- (1) half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
- (2) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted vide Board Resolution dated February 04, 2021. The members of the Nomination and Remuneration Committee are: -

- (i) Raj Kumar Pandey, Chairman;
- (ii) Mukesh Bansal, Member;
- (iii) Meenakshi Garg, Member

The role of the Nomination and Remuneration Committee shall be as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**Stakeholders Relationship Committee**

Stakeholders Relationship Committee was constituted vide the Board meeting held on February 04, 2021. The members of the Stakeholders Relationship Committee are:

- (i) Meenakshi Garg, - Chairperson;
- (ii) Raj Kumar Pandey– Member;
- (iii) Vikas Garg - Member.

The role of the Stakeholders Relationship Committee shall be as follows:

- i. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures, if any;
- ii. Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
- iii. Reviewing on a periodic basis the approval/ refusal of transfer or transmission of shares, debentures or any other securities;
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- v. Allotment and listing of shares;
- vi. Reference to statutory and regulatory authorities regarding investor grievances; and
- vii. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- viii. Any other power specifically assigned by the Board of Directors of the Company

**Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee was constituted vide the Board meeting held on February 04, 2021. The members of the Corporate Social Responsibility Committee are:

- (i) Sandeep Kumar Srivastava, Chairman;
- (ii) Vikas Garg – Member;
- (iii) Raj Kumar Pandey - Member.

The role of the Corporate Social Responsibility Committee shall be as follows:

- To formulate, revise and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **IPO Committee**

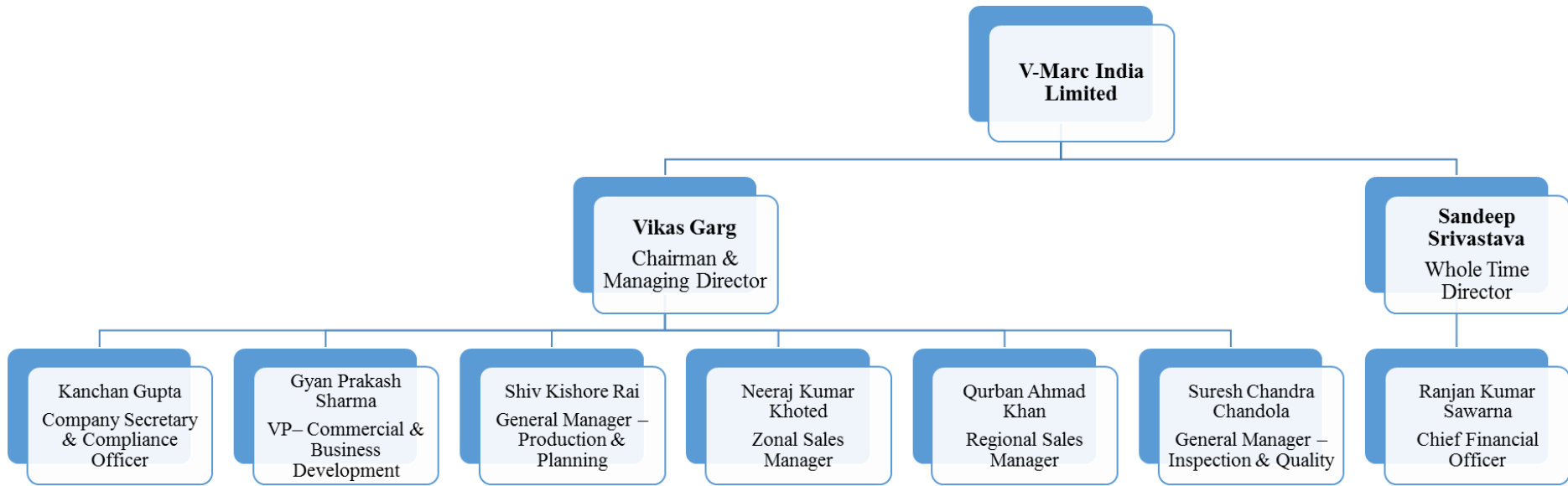
IPO Committee was constituted vide Board Resolution dated February 04, 2021. The members of the IPO Committee are: -

- (i) Vikas Garg, - Chairman;
- (ii) Sandeep Kumar Srivastava – Member;
- (iii) Raj Kumar Pandey - Member.

The IPO Committee exercises powers in relation to the matters listed below:

1. the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalization and filing of the Draft Red Herring Prospectus and Red Herring Prospectus with SEBI, the Stock Exchange and other regulatory bodies as may be required;
2. handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
3. deciding on allocation of the equity shares to specific categories of persons;
4. opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchange;
5. determining and finalizing the price band, bid opening and closing date of this Issue, approving and finalizing the ‘Basis of Allocation’;
6. determining the price at which the Equity Shares are to be offered to the investors;
7. settling difficulties and doubts arising in relation to the IPO;
8. empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
9. carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

#### **Management Organizational Structure**



## Key Management Personnel

In addition to Vikas Garg and Sandeep Kumar Srivastava, whose details have been provided above, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as on the date of this Prospectus are set forth below:

**Ranjan Kumar Sawarna**, aged 50 years, is the Chief Financial Officer of our Company. He has been appointed as CFO of the Company w.e.f. February 04, 2021. He holds a degree of Master of commerce from Lalit Narayan Mithila University. He also holds a degree of Cost Accountant from Institute of Cost and Works Accountants of India. He has an overall experience of nearly 20 years in Finance and Accounts. Prior to joining our Company, he worked with Sandy Machinery & Tools Co. Pvt. Ltd., Tex Corp Ltd., Jayashree Polymers Pvt Ltd. He received compensation for the Fiscal 2020 of ₹ 9.16 Lakhs.

**Kanchan Gupta**, aged 30 years, is the Company Secretary and Compliance Officer of our Company. She has been appointed as Company Secretary w.e.f. February 01, 2021 and has been designated as Compliance Officer of the Company w.e.f. February 04, 2021. She is a member of the Institute of Company Secretaries of India. She holds Master of Business Administration degree from Amity Directorate of Distance & Online Education Institution. She also holds Bachelors of Arts and Bachelors of Commerce degrees from University of Delhi. She has also passed Integrated Professional Competence Examination from ICAI. She joined our Company in Financial 2020-2021 and has therefore, not received any compensation for the Financial Year 2019-2020.

Set forth below are the details of our Key Management Personnel in terms of the SEBI ICDR Regulations:

**Gyan Prakash Sharma** is the Vice President – Commercial and Business Development of our Company. He holds bachelor's degree of Commerce and Master's degree of Commerce from Banaras Hindu University. He also holds degree of bachelors of Law from Chaudhary Charan Singh University, Meerut. He joined our Company on November 11, 2016 and currently responsible for business sales and marketing strategy of the Company. During the Fiscal 2020, he was paid ₹ 10.70 Lakhs.

**Suresh Chandra Chandola** is the General Manager – Inspection & Quality of our Company. He holds Diploma in Mechanical Engineering from Board of Technical Education, Uttar Pradesh. He joined our Company on October 01, 2010 and currently responsible for product quality assurance as per BIS & international standard. During the Fiscal 2020, he was paid ₹ 11.59 Lakhs.

**Shiv Kishore Rai** is the General Manager – Production & Planning of our Company. He holds Diploma in Electronic & Communication Engineering from Board of Technical Examination from Maharashtra State. In the past he has worked with Plaza Cable Industries Limited, Central Cable Ltd, Sriram Cables Pvt Ltd and Serval India Pvt Ltd. He has more than 25 years of experience in the wire & cable industry. He joined our Company on August 04, 2015 and currently responsible for testing, quality control & production planning. During the Fiscal 2020, he was paid ₹ 11.59 Lakhs.

**Neeraj Kumar Khatod** is the Zonal Sales Manager of our Company. He holds degree of Bachelor of Engineering from PT. Ravishankar Shukla University, Raipur. He also holds degree of Master of Business Administration – Part Time in Marketing from Barkatullah Vishwavidyalaya, Bhopal. In the past, he has worked with Finolex Cables Limited, General Cable Energy Pvt Ltd, RR Kabel Limited, Ravin Cables Ltd. He joined our Company on October 06, 2014 and currently responsible for sales and marketing for the state of Madhya Pradesh. During the Fiscal 2020, he was paid ₹ 10.95 Lakhs.

**Qurban Ahmed Khan** is the Regional Senior Manager of our Company. He holds degree of Bachelor of Commerce from Kanpur University. In the past, he has worked with Anchor Electricals Pvt Ltd, Amrutanjan Limited. He joined our Company on August 01, 2019 and is currently responsible for sales and marketing for the state of Uttar Pradesh. During the Fiscal 2020, he was paid ₹ 6.06 Lakhs.

## Shareholding of Key Management Personnel

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus

Name of the Director	No. of Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
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Vikas Garg	1,25,92,100	75.02%	55.26
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**Notes:**

1. All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the abovementioned Key Managerial Personnel have been recruited.
3. As on the date of filing of this Prospectus, our Company does not have a performance linked bonus or a profit sharing plan with the Key Managerial Personnel.
4. There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.
5. No non-salary-related payments or benefits have been made to our key management personnel based on targets achieved and general performance.
6. Our Key Managerial Personnel are governed by the terms of their appointment letters/employment contracts and have not entered into any other service contracts with our Company. No officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

**Changes in the Key Management Personnel during last three years:**

Following have been the changes in the key managerial personnel during the last three years:

Sr. No.	Name of KMP	Designation	Date of Appointment/ Change	Reasons
1.	Sandeep Kumar Srivastava	Whole time Director	February 04, 2021	Re-appointed as Whole Time Director
2.	Vikas Garg	Managing Director	February 04, 2021	Re-appointed as Managing Director
3.	Ranjan Kumar Sawarna	CFO	February 04, 2021	Designated as CFO
4.	Kanchan Gupta	Company Secretary	February 01, 2021	Appointment
5.	Chanchal Garg	Company Secretary	January 31, 2021	Resignation
6.	Qurban Ahmad Khan	Regional Sales Manager	August 01, 2019	Appointment
7.	Neeraj Gudgal	Company Secretary	June 20, 2014	Resignation

**Interest of Key Management Personnel**

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business.

Except to Ranjan Kumar Sawarna who has been granted loan of ₹ 2.50 Lakhs on May 18, 2020 out of which ₹ 1.50 Lakhs has been repaid as on the date of Prospectus, no loans have been availed by the Key Management Personnel from our Company as on date of this filing of this Prospectus.

**Employee stock option and stock purchase schemes**

As on date of this Prospectus, our Company does not have any employee stock option and stock purchase schemes.

**Payment or Benefit to Key Managerial Personnel of our Company**

Except as mentioned in the chapter titled “*Financial Statements*” on page 148, no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

The Promoters of our Company are Vikas Garg and Meenakshi Garg. As on date of this Prospectus our Promoters together hold 1,59,40,696 Equity Shares, representing 94.97% of the issued, subscribed and paid-up capital of our Company. For details, please see the section titled “*Capital Structure–Build-up of the Promoters’ shareholding in our Company*” beginning on page 59.

### DETAILS OF OUR PROMOTERS

	<p>Vikas Garg, aged 42 years, is our Promoter, Chairman and Managing Director.</p> <p>Residential address: N-327, Phase-3, Shivalik Nagar, N, P.O. Bhel, Sector 2, Haridwar – Uttarakhand - 249403</p> <p>PAN: AEAPG2497K</p> <p>Aadhar card number: 5376 9805 3880</p> <p>Driving license number.: P07122006391915</p> <p>For the complete profile of Vikas Garg along with details of his date of birth, educational qualification, experience in the business, positions/posts held in past, directorship, special achievements, business and financial activities, see “<i>Our Management</i>” on page 128</p>
	<p>Meenakshi Garg, aged 39 years, is our Promoter and Non-executive director.</p> <p>Residential address: N-327, Phase-3, Shivalik Nagar, Near Chatori Gali Hotel, Ranipur Range Bhel, Haridwar – Uttarakhand - 249403</p> <p>PAN: AHHPG9398K</p> <p>Aadhar card number: 9512 4189 1257</p> <p>Driving license number: Not Available</p> <p>For the complete profile of Meenakshi Garg along with details of her date of birth, educational qualification, experience in the business, positions/posts held in past, directorship, special achievements, business and financial activities, see “<i>Our Management</i>” on page 128</p>

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Prospectus.

#### ***Other ventures of our Promoters***

Except for our Group Companies and as set out in this chapter under heading “Promoter Group” and the chapter titled “*Our Management*” on page 128, our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.

#### ***Change in control of our Company***

There has been no change in control of our Company during five years immediately preceding the date of filing of this Prospectus.

#### ***Interest of our Promoters***



Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their directorship in our Company; (iii) to the extent of their shareholding (if any) and the shareholding of their relatives, as applicable; (iv) the dividends payable thereon; and (v) other distributions in respect of the Equity Shares held by them. For details on shareholding of our Promoters in our Company, see “*Capital Structure – Build-up of the Promoters*” for the shareholding in our Company” on page 59.

Our Promoters, Vikas Garg and Meenakshi Garg, are also the Managing Director and Non-Executive Director respectively of our Company and may be deemed to be interested to the extent of remuneration, benefits, commission and reimbursement of expenses payable to them in such capacity, if any. For further details, see “Our Management” beginning on page 128.

Further, our Promoters are also shareholders and directors on the boards of our Group Companies and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities in which our promoters or members of promoter group have significant influence. For details, see “Restated Financial Information - Annexure 34 - Related Party Transaction” on page F-26, under the section titled “*Financial Statements*” on page 148 of this Prospectus.

For further details of interest of our Promoters in our Company, see “Financial Statements” on page 148.

Except as disclosed in this section and in “*Financial Information*”, our Promoters do not have any interest whether direct or indirect in any property acquired by our Company, within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

Our Promoters are not interested as members of a firm or company (other than our Company), and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become, or qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

***Payment or benefits to our Promoters or Promoter Group***

Except as stated in this section, “Our Management” and “Financial Statements” on pages 128 and 148 respectively, there has been no payment of benefits made to our Promoters or members of our Promoter Group during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group, other than in the ordinary course of business.

Our Company has not entered into any contract, agreements or arrangements during the two years immediately preceding the date of this Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payment has been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

***Disassociation by our Promoters in the last three years***

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the three years preceding the date of filing of this Prospectus:

Name of Entity	Promoter	Reasons for and Circumstances leading to Disassociation	Date of Disassociation
Vaibhav Trading Company	Meenakshi Garg	Closure of Proprietorship	September 07, 2018 being the date of receipt of surrender of GST Registration No.

***Confirmations***

Neither our Promoters nor any of the entities with which they are associated as promoters have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

As on the date of this Prospectus, our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in 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.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

***Material Guarantees given by our Promoters***

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company, as on the date of this Prospectus.

***Promoter Group***

In addition to our Promoters, the individuals and entities forming part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

***A. Natural persons who are forming part of Promoter Group***

The natural persons who are part of the Promoter Group (due to their relationship with our Individual Promoters), other than our Promoters, are as follows:

<b>Relationship with Promoters</b>	<b>Vikas Garg</b>	<b>Meenakshi Garg</b>
Father	Ved Prakash Garg	Ram Avtar Gupta
Mother	Kusumlata Garg	Sarla Gupta
Brother	Anuj Garg	Amit Gupta
Sister	Rashmi Goel Anjana Goyal	Anjali Goel
Spouse	Meenakshi Garg	Vikas Garg
Son	Vaibhav Garg	Vaibhav Garg
Daughter	Vanshika Garg	Vanshika Garg
Spouse's Father	Ram Avtar Gupta	Ved Prakash Garg
Spouse's Mother	Sarla Gupta	Kusumlata Garg
Spouse's Brother	Amit Gupta	Anuj Garg
Spouse's Sister	Anjali Goel	Rashmi Goel Anjana Goyal

***B. Entities forming part of Promoter Group***

The entities forming part of our Promoter Group are as follows:

<b>Sr. No.</b>	<b>Name of the Entities</b>
<b>For Mr. Vikas Garg and Meenakshi Garg</b>	
1.	V-Marc Electricals Private Limited
2.	Asian Ambrosia India Private Limited
3.	New Rajdhani Builder
4.	Royal Cable Industries

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘group companies’, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed in this Prospectus, as covered under applicable accounting standards and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Financial Statements, as covered under applicable accounting standards have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, in accordance with the Materiality Policy determined pursuant to a resolution of our board dated February 04, 2021, for the purposes of disclosure in the Offer Document, there are no other Company/ies, which are considered material and warrant disclosure as a ‘Group Company’.

As on the date of the Prospectus, based on the above, our Group Companies are as set forth below:

### 1. V-Marc Electricals Private Limited (“VEPL”)

#### *Corporate Information*

V-Marc Electricals Private Limited was incorporated as a private limited company under the Companies Act, 1956 on May 22, 2012. The Corporate Identity Number of VEPL is U31300UR2012PTC010580.

#### *Nature of Activities*

In accordance with the provisions of the objects clauses of Memorandum of Association, VEPL is permitted to carry on the business of trading, manufacture and deal in wires and cables of all kinds.

#### *Financial Performance*

The financial information derived from the audited financial results of VEPL for the Financial Years 2020, 2019 and 2018 are set forth below:

*(in ₹ lakh except per share data)*

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Equity share capital	352.00	352.00	352.00
Reserves and surplus (excluding revaluation reserves)	486.26	367.43	226.70
Sales/ revenue from operations	4,584.78	4,997.67	7,057.20
Profit after tax	118.82	140.74	100.98
Basic earnings per share (face value of ₹ 10 each)	3.38	4.00	2.87
Diluted earnings per share (face value of ₹ 10 each)	3.38	4.00	2.87
Net asset value (per share)	23.81	20.44	16.44

There are no significant notes by the auditors of VEPL in relation to the above mentioned financial statements.

### 2. Asian Ambrosia India Private Limited (“AAIPL”)

#### *Corporate Information*

AAIPL was incorporated as a private limited company under the Companies Act, 2013 on July 10, 2018 pursuant to conversion of partnership firm namely ‘Asian Foods’. The Corporate Identity Number of AAIPL is U15549UR2018PTC008875.

#### *Nature of Activities*

In accordance with the provisions of the objects clauses of Memorandum of Association, AAIPL is permitted to carry on the business of mushroom trading, farming agricultural products, cultivation etc.

#### *Financial Performance*

Since, AAIPL was incorporated on July 10, 2018, the financial information derived from the audited financial results of AAIPL for the past two Financial Years 2020 and 2019 are set forth below:

*(in ₹ lakhs except per share data)*

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Equity share capital	120.00	70.00
Reserves and surplus (excluding revaluation reserves)	(46.50)	(16.43)
Sales/ revenue from operations	110.82	27.77
Profit/(loss) after tax	(30.06)	(16.43)
Basic earnings/ (loss) per share (face value of ₹ 10 each)	(2.85)	(2.35)
Diluted earnings per share (face value of ₹ 10 each)	(2.85)	(2.35)
Net asset value (per share)	6.00	7.37

There are no significant notes by the auditors of AAIPL in relation to the above mentioned financial statements.

### **Litigation**

As on the date of the Prospectus, there are no pending litigation proceedings involving our Group Companies which have or may have a material impact on our Company.

### **Sick company, winding up/ insolvency proceedings**

As on the date of this Prospectus, our Group Companies have not been declared sick within the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, and have not been referred to the Board of Industrial and Financial Reconstruction or the National Company Law Tribunal, and are not under the corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016, as amended.

### **Loss making Group Companies**

AAIPL has incurred losses of ₹ 30.06 lakhs in Fiscal 2020 and ₹ 16.43 lakhs in Fiscal 2019.

### **Defunct Group Companies**

During the five years preceding the date of this Prospectus, our Group Companies have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies.

### **Common pursuits**

VEPL is engaged in or is permitted to carry on business activities, similar to that of our Company, pursuant to the provisions of its memorandum of association. As and when conflicts arise, we will examine similar viable solutions under applicable law and as determined by our Board of Directors.

### **Related Business Transactions within the group and significance on the financial performance of our Company**

Other than the transactions disclosed in the section “*Related party transaction*” on page 146, there are no other related party transactions that have been entered into between our Group Companies and our Company.

### **Nature and extent of interests of our Group Companies**

Our Group Companies do not have any interest in the promotion of our Company.

Our Group Companies are not interested in the properties acquired by our Company in the three years preceding the date of this Prospectus or proposed to be acquired by our Company.

Except as disclosed under “*Financial Statements*” on page 148, Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

### **Business interests or other interests**

Except as disclosed in “*Related party transaction*” on page 146, our Group Companies does not have any business interest in our Company.

### **Other Confirmations**

Our Group Companies do not have any securities listed on a stock exchange. Accordingly they have not made any public or rights issue of securities (as defined under the SEBI ICDR Regulations) in the three years preceding the date of this Prospectus.

Further, neither the securities of our Company or any of our Group Companies have been refused listing by any of the stock exchange in India or abroad during the last ten years, nor has our Company or any of our Group Companies have failed to meet the listing requirements of any of the stock exchange in India or abroad.

## **RELATED PARTY TRANSACTION**

For details on related party transactions please refer to *Annexure 34 – Related Party Transactions of Restated Financial Statements* under the section titled, “*Financial Statements*” beginning on page 148 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last three financial years and during the nine months period ended December 31, 2020 as on date of filing this Prospectus.

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. We may/may not retain all our future earnings, if any, for use in the operations and expansion of our business. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among other, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

**SECTION VI – FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Details</b>	<b>Page. No.</b>
1	Restated Financial Statements	F-1 to F-29



# RAJEEV SINGAL & CO.

CHARTERED ACCOUNTANTS

Reg. No. - 008692C  
PAN- AAPFR2931N



175, Dwarkapuri, Main Road  
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**Independent Auditor's Examination Report on the Restated Summary Statement of Assets and Liabilities as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 and Restated Summary Statement of Profits and Losses and Restated Summary Statement of Cash Flows and Restated Summary Statement of Changes in Equity, the Summary Statement of Significant Accounting Policies and other explanatory information and related notes for nine months period ended on December 31, 2020 and for each of the years ended on March 31, 2020, March 31, 2019 and March 31, 2018 of V -MARC India Limited (collectively, the "Restated Summary Statements")**

To,  
The Board of Directors  
**V- MARC India Limited**  
*(formerly known as Asian Galaxy Private Limited)*  
Plot No 3, Sector IIDC, SIDCUL,  
Haridwar-249403  
Uttarakhand-India

Dear Sir/Ma'am,

1. We have examined the attached Restated Summary Statements of **V-MARC India Limited** (the "Company") as at and for the nine months period ended December 31, 2020 and as at and for each of the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer ("IPO") on the EMERGE Platform of NSE Limited.
2. These Restated Summary Statements, which have been approved by the Board of Directors of the Company and have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus being issued by the Company for its proposed IPO of equity shares on EMERGE Platform of NSE Limited; and
  - (iv) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited special purpose interim Financial Statements of the Company as at and for the nine months period ended on **December 31, 2020 and from the respective audited financial statements as at and for the financial years ended March 31, 2020, March 31, 2019 & March 31, 2018 which have been approved by the Board of Directors**

**Branch Office:** 103, (G.F.), Block No.-41, Plot No.-018, Sector – OMICRON, Greater Noida 201308



4. For the purpose of our examination, we have relied on the auditors' report issued by us dated February 04, 2021 on the financial statements of the Company as at and for the nine months period ended December 31, 2020 and auditors' reports issued by M/s. AVP & Associates dated November 30, 2020, September 06, 2019 and September 04, 2018 as at and for the financial years ended March 31, 2020, March 31, 2019 & March 31, 2018 respectively. The financial report included for these years are based solely on the report submitted by these auditors for the said years. Further financial statements for the financial year ended March 31, 2020 have been re-audited by us as per the relevant guidelines.
5. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
- (i) The "Restated Summary Statement of Assets and Liabilities" as set out in **Annexure 1** to this report, of the Company as at **December 31, 2020, March 31, 2020, March 31, 2019 & March 31, 2018** are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
  - (ii) The "Restated Summary Statement of Profit and Loss" as set out in **Annexure 2** to this report, of the Company for the nine months period ended **December 31, 2020 and for the financial years ended on March 31, 2020 March 31, 2019 & March 31, 2018** are 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** to this Report.
  - (iii) The "Restated Summary Statement of Cash Flows" as set out in **Annexure 3** to this report, of the Company for the nine months period ended **December 31, 2020 and for the financial years ended on March 31, 2020 March 31, 2019 & March 31, 2018** are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
6. Based on the above and according to the information and explanations given to us and also as per the reliance placed by us on the audited financial statements of the Company and report thereon submitted by the previous Statutory Auditor of the Company for the respective years, we are of the opinion that:
- a) the Restated Summary Statements have been prepared after incorporating adjustments for the changes in accounting policies if any, retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policies as at and for all reporting periods;
  - b) the Restated Summary Statements have been prepared after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate;
  - c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed where ever required;



- d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on **December 31, 2020, March 31, 2020, March 31, 2019 & March 31, 2018** which would require adjustments in this Restated Financial Statements of the Company; However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Summary Statements have been disclosed in Annexure -4 to the Restated Summary Statements;
- 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, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Summary Statements;
- g) there was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements except mentioned in clause (f)above;
- h) there are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;

**7. Opinion:**

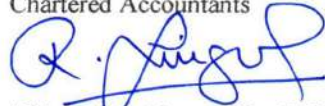
In our opinion and to the best of information and explanation provided to us the restated financial information of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure 4 are prepared after providing appropriate adjustments and regroupings as considered appropriate and disclosed in Annexure 4.

8. We, M/s. Rajeev Singal & 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 issued by the "Peer Review Board" of the ICAI.
9. 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.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure 1 to 38 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.



13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For Rajeev Singal & Co,  
Chartered Accountants



(CA Rajeev Kumar Singhal)

Partner

M No 077834

FRN 008692c



Date: 06<sup>th</sup> February, 2021

Place: Haridwar

UDIN 21077834AAAABJ7379

**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**CIN-U31908UR2014PLC001066**

**Annexure-1 Restated Statement of Assets & Liabilities**

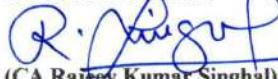
*Amount in Lacs.*

PARTICULARS	Annexure	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>I Equity &amp; Liabilities:-</b>					
<b>1) Shareholder's Funds</b>					
(a) Share Capital	5	1,594.57	1,594.57	1,594.57	1,424.57
(b) Reserves and Surplus	6	2,224.35	1,822.77	1,358.18	869.22
		<b>3,818.92</b>	<b>3,417.34</b>	<b>2,952.74</b>	<b>2,293.79</b>
<b>2) Share Application Money pending Allotment</b>					
		-	-	-	-
<b>3) Non-Current Liabilities</b>					
(a) Long Term Borrowings	7	790.85	471.23	267.98	98.99
(b) Deferred Tax Liabilities (Net)					
(c) Other Long Term Liabilities	8	63.81	125.06	45.85	18.18
(d) Long Term Provisions	9	61.85	60.55	45.75	40.45
		<b>916.51</b>	<b>656.84</b>	<b>359.58</b>	<b>157.62</b>
<b>4) Current Liabilities</b>					
(a) Short Term Borrowings	10	4,019.32	3,875.60	3,317.09	3,538.05
(b) Trade Payables	11	3,273.67	4,470.47	3,943.42	2,004.14
(c) Other Current Liabilities	12	622.37	372.75	503.36	543.50
(d) Short Term Provisions	13	311.27	175.33	198.76	106.09
		<b>8,226.62</b>	<b>8,894.14</b>	<b>7,962.63</b>	<b>6,191.79</b>
<b>Total Rs</b>		<b>12,962.05</b>	<b>12,968.32</b>	<b>11,274.96</b>	<b>8,643.20</b>
<b>II. Assets</b>					
<b>1) Non-Current Assets</b>					
(a) Property Plant & Equipments	14				
(i) Tangible Assets		1,915.29	1,002.92	737.42	800.40
(ii) Intangible Assets		-	-	-	-
(iii) Capital work-in-progress		146.60	1,035.85	599.21	80.19
(iv) Intangible assets under development		-	-	-	-
(b) Non-current Investments		-	-	-	-
(c) Deferred Tax Assets (Net)	15	25.44	31.83	26.42	24.21
(d) Long Term Loan & Advances	16	29.23	24.70	207.41	33.49
(e) Other Non-current Assets	17	153.59	152.90	125.65	18.32
		<b>2,270.14</b>	<b>2,248.19</b>	<b>1,696.11</b>	<b>956.62</b>
<b>2) Current Assets</b>					
(a) Current Investments					
(b) Inventories	18	5,516.90	4,193.16	3,088.21	3,261.69
(c) Trade Receivables	19	4,106.78	5,629.74	5,540.67	3,507.49
(d) Cash and Cash Equivalents	20	26.28	106.19	8.07	15.38
(e) Short-term Loans and Advances	21	639.76	662.33	620.33	391.56
(f) Other Current Assets	22	402.20	128.71	321.57	510.46
		<b>10,691.92</b>	<b>10,720.13</b>	<b>9,578.85</b>	<b>7,686.58</b>
<b>Total Rs.</b>		<b>12,962.05</b>	<b>12,968.32</b>	<b>11,274.96</b>	<b>8,643.20</b>

Note: The Above Statement should be read with the statements of Notes to the Restated Financial Information in Annexure-4 as per report of Even Date attached

As per Our Separate Report of Even Date

**For Rajeev Singal & Co**  
Chartered Accountants

  
(CA Rajeev Kumar Singhal)  
Partner

M No 077834  
FRN: 008692C

Date: 06th February, 2021  
Place: Haridwar



**For & on behalf of the Board of Directors**  
**of V-Marc India Limited**

  
Meemakshi Garg  
Director  
DIN-0005268233

  
Kanchan Gupta  
Company Secretary

  
Vikas Garg  
Managing Director  
DIN-0005268238

  
Ranjan Kumar Sawarna  
Chief Financial Officer

**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**CIN-U31908UR2014PLC001066**  
**Annexure-2 Restated Statement of Profit & Loss**

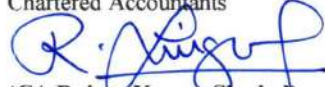
*Amount in Lacs*

PARTICULARS	Annexure	For the Year Ended			
		December 31,2020	March 31,2020	March 31,2019	March 31,2018
I Revenue from Operations	23	13,036.40	17,124.94	20,495.00	14,350.93
II. Other Income	24	26.16	39.50	30.61	0.38
<b>III Total Revenue (I+II)</b>		<b>13,062.57</b>	<b>17,164.44</b>	<b>20,525.61</b>	<b>14,351.31</b>
<b>IV Expenses:</b>					
Cost of Raw Materials Consumed	25	11,383.08	14,476.81	16,713.69	13,654.60
Changes in inventories of FG, WIP and Stock-in-Trade	26	(829.71)	(1,050.04)	344.91	(1,429.30)
Employee benefit expenses	27	509.76	904.22	762.37	561.51
Financial costs	28	397.39	601.46	524.86	520.11
Depreciation and amortization expenses	29	121.12	100.82	111.12	100.48
Other Expenses	30	942.44	1,489.00	1,358.01	577.95
<b>Total Expenses (IV)</b>		<b>12,524.07</b>	<b>16,522.28</b>	<b>19,814.96</b>	<b>13,985.34</b>
V Profit before exceptional and extraordinary items and tax (III-IV)		538.49	642.16	710.65	365.96
VI Exceptional Items		-	-	-	-
VII Profit before extraordinary items and tax (V-VI)		538.49	642.16	710.65	365.96
VIII Extraordinary Items		-	-	-	-
IX Profit before tax (VII-VIII)		<b>538.49</b>	<b>642.16</b>	<b>710.65</b>	<b>365.96</b>
X Tax Expenses					
(i) Current Taxes		130.52	182.98	223.91	145.07
(ii) Deferred Tax		6.39	(5.41)	(2.21)	(2.77)
XI Profit(Loss) for the period from continuing operations (IX-X)		<b>401.58</b>	<b>464.60</b>	<b>488.95</b>	<b>223.66</b>
XII Profit(Loss) from the period from discontinuing operations					
XIII Tax Expense of discontinuing operations					
XIV Profit(Loss) from the period from discontinuing operations after Tax (XII-XIII)					
<b>XV Profit/(Loss) for the period (XI+XIV)</b>		<b>401.58</b>	<b>464.60</b>	<b>488.95</b>	<b>223.66</b>
XVI- Earning per Equity Share					
Basic		2.52	2.91	3.36	1.57
Diluted		2.52	2.91	3.36	1.57

Note: The Above Statement should be read with the statements of Notes to the Restated Financial Information in Annexure-4 as per report of Even Date attached

As per Our Separate Report of Even Date

**For Rajeev Singal & Co**  
Chartered Accountants



**(CA Rajeev Kumar Singhal)**

Partner

M No 077834

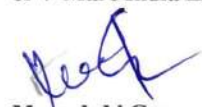
FRN: 008692C

Date: 06th February, 2021

Place: Haridwar



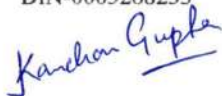
For & on behalf of the Board of Directors  
of V-Marc India Limited



**Meenakshi Garg**

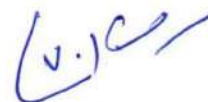
Director

DIN-0005268233



**Kanchan Gupta**

Company Secretary



**Vikas Garg**

Managing Director

DIN-0005268238



**Ranjan Kumar Sawarna**

Chief Financial Officer

**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**CIN-U31908UR2014PLC001066**

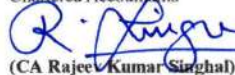
**Annexure-3 Restated Statement of Cash Flow**

Particulars	<i>Amount in Lacs</i>			
	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Cash Flow from Operating Activities</b>				
Profit/(Loss) Before Extraordinary Losses & Tax	538.49	642.16	710.65	365.96
<b>Adjustment for</b>				
Depreciation	121.12	100.82	111.12	100.48
Finance Cost	324.98	451.25	397.25	386.70
Non Operating Income	(25.71)	(38.23)	(29.83)	-
Prior Period Adjustments	-	-	-	(73.38)
<b>Operating cash flow before working capital changes</b>	<b>958.88</b>	<b>1,156.01</b>	<b>1,189.19</b>	<b>779.76</b>
Decrease(Increase) in Other Current Assets				
Inventories	(1,323.74)	(1,104.95)	173.48	(1,207.38)
Trade Receivables	1,522.96	(89.07)	(2,033.18)	(535.07)
Short Loans & Advances	22.57	(42.00)	(228.77)	(10.30)
Other Current Assets	(273.49)	192.86	188.89	224.57
Other Non Current Assets	(0.69)	(27.25)	(107.33)	0.29
(Decrease)Increase in Current Liabilities/Non Current Liability				
Trade Payables	(1,196.79)	527.05	1,939.28	244.05
Other Current Liabilities	249.62	(130.62)	(40.14)	418.47
Short term Provisions	135.93	(23.43)	92.67	(10.25)
Short term borrowings	143.72	558.51	(220.96)	708.64
Other Long term Liability	(61.25)	79.21	27.66	(27.52)
Other Long term Provisions	1.31	14.80	5.30	40.45
	(779.85)	(44.89)	(203.10)	(154.05)
Cash flow from Extraordinary items	-	-	-	-
<b>Cash generated from operations</b>	<b>179.03</b>	<b>1,111.12</b>	<b>986.10</b>	<b>625.71</b>
Income Tax Paid	130.52	182.98	223.91	145.07
<b>Cash Flow from Operating activities (A)</b>	<b>48.51</b>	<b>928.14</b>	<b>762.19</b>	<b>480.63</b>
<b>Cash Flow from Investing activities:-</b>				
Non-Operating Income	25.71	38.23	29.83	-
Purchase of Fixed Assets	(145.47)	(802.96)	(567.16)	(101.70)
Decrease in Depreciation Reserve	-	-	-	-
Sale/(Purchase) of Property Plant & Equipment	1.23	-	-	-
Increase/(Decrease) in Long Term Loan & Advances	(4.53)	182.71	(173.91)	(26.71)
Increase in Non Current Investment/Assets	-	-	-	-
<b>Net Cash from Investing activities (B)</b>	<b>(123.05)</b>	<b>(582.02)</b>	<b>(711.24)</b>	<b>(128.41)</b>
<b>Cash Flow from Financing activities:-</b>				
Proceeds from Share Application Money	-	-	-	-
Proceeds from Share Capital	-	-	170.00	-
Proceeds/(Repayment) from/to Long term borrowings (Net)	319.62	203.25	168.99	45.24
Proceeds from security Premium	-	-	-	-
Finance Cost	(324.98)	(451.25)	(397.25)	(386.70)
<b>Net Cash Flow from Financing activities (C)</b>	<b>(5.37)</b>	<b>(248.01)</b>	<b>(58.26)</b>	<b>(341.46)</b>
<b>Net Increase in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>(79.91)</b>	<b>98.12</b>	<b>(7.31)</b>	<b>10.76</b>
<b>Cash &amp; Cash Equivalents (Refer Note 20)</b>				
- At the beginning of the year	106.19	8.07	15.38	4.62
- At the end of the year	<b>26.28</b>	<b>106.19</b>	<b>8.07</b>	<b>15.38</b>

Note: The Above Statement should be read with the statements of Notes to the Restated Financial Information in Annexure-4 as per report of Even Date attached

As per Our Separate Report of Even Date  
**For Rajeev Singal & Co**

Chartered Accountants

  
**(CA Rajeev Kumar Singhal)**

Partner

M No 077834

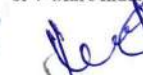
FRN: 008692C

Date: 06th February, 2021

Place: Haridwar

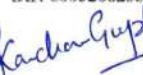


For & on behalf of the Board of Directors  
of V-Marc India Limited

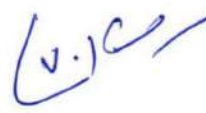
  
**Meenakshi Garg**

Director

DIN-0005268233

  
**Kanchan Gupta**

Company Secretary



**Vikas Garg**

Managing Director

DIN-0005268238



**Ranjan Kumar Sawarna**  
Chief Financial Officer

## **Annexure 4: Statement of Notes to Restated Financial Information**

### **A. CORPORATE INFORMATION**

V MARC India Limited ("The Company") was originally incorporated as Private limited Company on 04th Day of March, 2014 and having passed the Special Resolution in the Extraordinary General Meeting of the Company held on 02<sup>nd</sup> Day of February, 2021 terms in Section 18 and 14 of the Companies Act, 2013 read with Rule 33 of Companies (Incorporation) Rules, 2014. The constitution of company is changed to V -MARC India Limited as per certificate dated 04<sup>th</sup> Day of February, 2021.

The Company is engaged in manufacturing of Wires and cables and presently company is supplying the material of Pan-India Basis. The Company is ISO 14001:2015 certified and engaged in manufacturing of domestic and industrial electrical wires and cables. The Company work with leading clients and government undertakings and power corporations.

### **B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as at **December 31, 2020, March 31, 2020, March 31, 2019 & March 31, 2018** the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended **December 31, 2020, March 31, 2020, March 31, 2019 & March 31, 2018** and the annexure thereto (herein collectively referred to as 'Restated Financial Statement') have been compiled by the management of the Company from the audited financial statements of the Company for the period/ years ended **December 31, 2020, March 31, 2020, March 31, 2019 & March 31, 2018** and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of National Stock Exchange of India Limited ('NSE').

These aforementioned audited financial statements were prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These audited financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act/ Companies Act, 1956, as applicable.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information has been prepared in Indian Rupee (INR).

### **C. SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Use of Estimates**

The preparation of Restated Financial Information in conformity with GAAP requires that the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible assets, provision for doubtful debts/ advances, future obligations in respect of





retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

## 2. Accounting Assumptions:-

### (i) Going Concern:-

The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

### (ii) Consistency:-

It is assumed that accounting policies are consistent from one period to another.

### (iii) Accrual:-

Revenues and costs are accrued, that is, recognized as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate. (The considerations affecting the process of matching costs with revenues under the accrual assumption are not dealt with in this Statement.)

## 3. Valuation of Inventories

Finished goods are valued lower of cost or net realizable value and cost is defined on FIFO method. Raw Material and Work in progress are valued lower of cost or net realizable value cost is defined on FIFO method Scrap is valued at realizable value.

## 4. Cash Flow Statements

Cash flows are reported using the indirect method as set out in accounting standard -3 on cash flow statement issued by the Institute of Chartered accountants of India.

## 5. Depreciation and Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the WDV method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

## 6. Revenue Recognition

- Revenue is recognized to the extent it is possible that economic benefits will flow to the company and the revenue can be reliably measured and there is a reasonable certainty regarding ultimate collection.
- Revenue from sale of materials/ products is recognized on transfer of all significant risks and rewards of ownership of the goods to the customers, which generally coincides with the dispatch of goods. Sales are stated exclusive of GST/ VAT, trade discounts and sales returns.
- Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.
- Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

## 7. Property, plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a property, plant and equipment comprises its purchase price and any attributable to cost of bringing the asset to its working condition for its intended use. Expenditure on addition, improvements and renewals is capitalized and expenditure for maintenance and repair is charged to Profit and Loss account.



## 8. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding at the end of the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity share outstanding at the end of the year.

## 9. Taxes on Income

### Tax expenses comprise of current and deferred tax

Current tax is measured at the amount expected to be paid on the basis of relief and deductions available in accordance with the provisions of Indian Income Tax Act, 1961 and includes Minimum Alternate Tax ("MAT") paid by the company on book profits in accordance with the provisions of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period and will be able to set off such MAT credit entitlement.

Deferred income tax reflects the impact of the current year reversible timing differences between the taxable income and accounting income for the Year and reversal of timing differences of the earlier Year. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In FY 2019-20 and onwards, in pursuant to section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Law (Amendment) Bill, 2019, the company has as irrevocable option of shifting to lower tax rates along with consequent reduction in certain tax incentives including lapse of accumulated MAT Credit.

There have been no instances of any default or non-payment of statutory dues by the Company, except as follows:

Nature of Demand	Financial Year/ Assessment Year	Amount(Rs.)
Income Tax	2013-14/2014-15	72,010
Income Tax	2017-18/2018-19	1,07,960
Income Tax	2018-19/2019-20	53,620
Income Tax	2019-20/2020-21	1,74,97,759.00 Plus Interest
Income Tax/Advance Tax	2020-21/2021-22	1,12,14,872.00 Plus Interest

## 10. Impairment of Assets:

An Asset is considered as impaired in accordance with AS -28 "Impairment of Assets" when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the assets belongs, exceeds its recoverable amount (i.e. the higher of the assets net selling price and value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of asset and from its ultimate disposal are discounted to their present values using a predetermined discount rate. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

## 11. Provision of Contingent Liabilities

Contingent Liabilities as defined in AS 29 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed here. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.



## 12. Retirement benefits to employee

### Gratuity:-

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company has not contributed all ascertained liabilities to any fund. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. The Company's overall expected long-term rate-of-return on assets has been determined based on consideration of available market information, current provisions of Indian law specifying the instruments in which investments can be made, and historical returns. The discount rate is based on the Government securities yield.

## 13. Government Grant

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective Fixed Assets. Other capital grants are credited to Capital Reserve.

## 14. Current Assets, Loans and Advances

The balance under item of Sundry Debtors, Loans and Advances and Current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However in the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

15. In the opinion of the board of directors, the current assets, loans and advances are approximately of the same value if realized in the ordinary courses of business and the provision for all known liabilities is adequately made and not in excess of the amount reasonably consider necessary.

16. Previous Year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with the current year figures.

17. Decimals have been rounded off to the nearest Rupee.



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*Amount in Lacs*

**Annexure No. 4(B) RECONCILIATION OF RESTATED PROFIT & AUDITED PROFIT**

PARTICULARS	December, 31 2020	March 31, 2020	March 31, 2019	March 31, 2018
Net Profit / (Loss) After Tax of Audited Statement of Profit & Loss	301.69	492.49	485.60	247.67
<u>Adjustments for:</u>				
Gratuity Provision (Note-1)	13.67	13.69	11.83	(12.44)
Leave Encashment Provision ( Note-1)	(1.03)	(0.53)	4.89	(3.32)
Disallowance u/s 37 and Late Delivery Charges ( Note-2 &3)	67.88	(44.34)	6.14	(1.63)
Income Tax & Other Adjustments(Note-2 & 4)	(32.81)	18.96	(6.34)	(1.84)
Provision for Doubtful Debts (Note-5)	52.18	(15.67)	(13.17)	(4.77)
<b>Net Profit / (Loss) after tax as restated</b>	<b>401.58</b>	<b>464.60</b>	<b>488.95</b>	<b>223.66</b>

**Annexure No. 4(C) RECONCILIATION OF RESTATED EQUITY & AUDITED EQUITY**

PARTICULARS	December, 31 2020	March 31, 2020	March 31, 2019	March 31, 2018
Equity As per Audited Balance Sheet	3,832.12	3,530.43	3,037.94	2,382.34
<u>Adjustments for:</u>				
Difference due to change in Profit & Loss	99.89	(27.89)	3.35	(24.01)
Adjustment for Capital Subsidy	-	-	-	-
Prior Period Adjustments	(113.08)	(85.20)	(88.55)	(64.53)
<b>Equity as per Restated balance Sheet</b>	<b>3,818.92</b>	<b>3,417.34</b>	<b>2,952.74</b>	<b>2,293.79</b>

**Note:**

A positive figures represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers.

Explanatory notes to the above restatements made in Audited Financial Statements of the company for the respective period/years

**Adjustments having impact on Profit:**

**Note -1**

Provision for gratuity liability & leave Encashment revised as per Valuer Certificate.

**Note -2**

Interest on Income Tax has been provided in the year in which tax payable belongs to.

**Note -3**

As the net profit before tax changed, tax provision has been also changed accordingly. Provision for late delivery has been adjusted to the particular year to which it belongs

**Note -4**

Deferred Tax Assets provision has been revised due to revision in Gratuity and Leave encashment valuation as per Valuer Certificate.

**Note -5**

Provision for Doubtful Debts has been made in a year in which it belongs to.



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**ANNEXURE No 5 RESTATED STATEMENT OF SHARE CAPITAL**

S No	Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	<b>Authorised Share Capital</b>				
	200 Lacs Equity Shares of Rs. 10/- par value.	2,000.00	2,000.00	2,000.00	1,500.00
	<b>Total (Rs.)</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>1,500.00</b>
2	<b>Issued, Subscribed &amp; Paid-up Share Capital</b>				
	1,59,45,696/- Equity Shares of Rs.10/-each - Fully paid	1,594.57	1,594.57	1,594.57	1,424.57
3	<b>RECONCILIATION OF SHARE CAPITAL</b>				
	<b>Particulars</b>	<b>Equity Shares Number</b>	<b>Equity Shares Number</b>	<b>Equity Shares Number</b>	<b>Equity Shares Number</b>
	Shares Outstanding at the beginning of the year	159.46	159.46	142.46	142.46
	Shares issued during the year *	-	-	17.00	-
	Shares bought back during the year	-	-	-	-
	<b>Shares Outstanding at the end of the year</b>	<b>159.46</b>	<b>159.46</b>	<b>159.46</b>	<b>142.46</b>
	* 7 Lacs Shares on 19.10.2018 & 10 Lacs Shares on 31.03.2019				
4	The company has only one class of equity shares having a par value of Rs.10.00 per share. Each shareholder is eligible for one vote per share. In the event of liquidation of the company, the holders of shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.				
5	<b>NAME OF SHARE HOLDERS HOLDING SHARES MORE THAN 5%</b>				
S No	Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
	<b>Name of Shareholders</b>	<b>No. of Shares held</b>	<b>No. of Shares held</b>	<b>No. of Shares held</b>	<b>No. of Shares held</b>
a)	<b>Equity Shares fully paid up</b>				
	Mr. Vikas Garg	125.97	125.97	125.97	112.54
	Ms. Meenakshi Garg	33.49	33.49	33.49	29.92
	<b>Total (Rs.)</b>	<b>159.46</b>	<b>159.46</b>	<b>159.46</b>	<b>142.46</b>
b)	<b>%age of Equity Shares Held</b>	<b>%age of Shares Held</b>			
	Mr. Vikas Garg	79.00	79.00	79.00	79.00
	Ms. Meenakshi Garg	21.00	21.00	21.00	21.00
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**ANNEXURE No. 6. RESTATED STATEMENT OF RESERVE & SURPLUS**

S No	RESERVE & SURPLUS	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Surplus (Profit &amp; Loss Account)</b>				
	Opening Balance	1,822.77	1,358.18	869.22	710.10
	Add : Addition during the F.Y.	401.58	464.60	488.95	223.66
	Restatement Adjustments	-	-	-	-
	Provision for Doubtful Debts	-	-	-	(18.57)
	Gratuity	-	-	-	(17.91)
	Disallowance U/s 37	-	-	-	(16.29)
	Late Deductions	-	-	-	(11.76)
	<b>Total (Rs.)</b>	<b>2,224.35</b>	<b>1,822.77</b>	<b>1,358.18</b>	<b>869.22</b>



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**ANNEXURE No. 7. RESTATED STATEMENT OF LONG TERM BORROWINGS**

S No	Long term Borrowings( * & **)	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Secured Borrowings</b>				
1	Term Loan from Punjab National Bank	57.20	61.78	105.43	145.83
2	Vehicle Loan from Punjab National Bank (Hyp. Swift Car)	5.10	5.83	6.71	-
3	Vehicle Loan from Punjab National Bank (Hyp.-Ertiga Car)	8.14	8.99	-	-
4	Vehicle Loan from Punjab National Bank (Hyp.-Fortuner Car)	20.97	23.21	26.44	-
5	SME Equipment Loan from ECL Finance Limited	103.32	142.65	155.24	-
6	SME Equipment Loan from ECL Finance Limited	29.15	52.85	80.90	-
7	GECL Working Capital Loan from Punjab National Bank	15.91	294.62	-	-
8	GECL Working Capital Loan from Punjab National Bank	704.46	-	-	-
9	GECL Working Capital Loan from ICICI Bank Limited	99.20	-	-	-
b)	<b>Unsecured Borrowings:-</b>				
	Loan From Related Party (Director)				
1	Mr Vikas Garg	-	15.00	-	-
	Less :-Current Maturities of Long Term Borrowings disclosed under the head "Other Current liabilities"***	(252.60)	(133.70)	(106.74)	(46.84)
	<b>Total (Rs.)</b>	<b>790.85</b>	<b>471.23</b>	<b>267.98</b>	<b>98.99</b>

\*There is no default in Repayment of Loan.

\*\* Terms & Conditions of above loans are as under:- (In Chronological manner)

SNo.	Name of Bank	Nature of Facility & Sanctioned Limit	Rate of Interest/Margin	Primary Security	Terms of Repayment
1	Punjab National Bank	Working Capital Limit-Fund Based for Rs. 30.50 Cr. And Non-Fund Based Limit of Rs. 23 Cr and Term Loan of Rs. 1.65 Cr.	RRLR(1 year) 6.65%+1.45% =8.10% p.a	Hypothecation of Stocks of Raw Material, Semi Finished and packing material of the company and charge on Block Assets of the company including factory land and building	Repayable in 84 Installments commencing w.e.f. September,2019
<b>Collateral Security :</b>					
a) Factory Land & Building situated at Plot No 3,Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 4271/4272 dated 12.05.2016					
b) Factory Land & Building situated at Plot No 4,Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 8903 dated 08.12.2009					
c) Factory Land & Building situated at Plot No 18,Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 3986 dated 10.04.2012					
d) Factory Land & Building situated at Plot No 15,Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 7671 dated 21.09.2016					
e) Residential House Situated at Plot No N-327, Shivalik Nagar, Phase -III, Haridwar vide sales deed no 1644 dated 01.03.2013					
2	Punjab National Bank	Car Loan of Rs. 7.00 Laacs	MCLR(1 year) 8.45%+0.60% =9.05% pa	Car-Maruti Dezire-VDI	Repayable in 84 Installments - commencing w.e.f. October ,2018
3	Punjab National Bank	Car Loan of Rs. 9.60 Laacs	MCLR(1 year) 8.30%+0.60% =8.90% pa	Car-Maruti Suzuki Ertiga	Repayable in 84 Installments of Rs. 15397/- commencing w.e.f. September,2019
4	Punjab National Bank	Car Loan of Rs. 28 Laacs	MCLR(1 year) 8.45%+0.60% =9.05% p.a	Car-Toyota Fortuner	Repayable in 84 Installments of Rs. 45,121/- commencing w.e.f. September,2018
5	ECL Finance Limited, Delhi	SME Equipment Loan- Rs. 91.50 Laacs	Fixed at 10.75% p.a	Plant & Machinery	Repayable in 32 EMI of Rs. 2,98,473/-
6	ECL Finance Limited, Delhi	SME Equipment Loan- Rs. 170.50 Laacs	Fixed at 11.00% p.a	Plant & Machinery	Repayable in 32 EMI of Rs. 5,58,213/-
7	Punjab National Bank	Guaranteed Emergency Credit Line Working Capital Loan due to COVID-19 for Rs. 3.05 Cr	RRLR	As per Existing Facility	Repayable in 18 Months after Moratorium period of 6 Months from the date of Disbursement
8	Punjab National Bank	Guaranteed Emergency Credit Line Working Capital Loan due to COVID-19 for Rs. 7 Cr	RLLL 6.65% +0.85%= 7.50% pa	As per Existing Facility	4 Years from the date of Disbursement including 12 Month Moratorium
9	ICICI Bank Limited	Guaranteed Emergency Credit Line Working Capital Loan due to COVID-19 for Rs. 99.19 Laacs	EBLR 7.70%+0.55% = 8.25% pa	As per Existing Facility	4 Years from the date of Disbursement
10	Vikas Garg	Loans from Director	Nil	NA	NA



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Amount in lacs

\*\*\* Current Maturities of Long term Borrowings:-

S No	Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Secured Borrowings</b>					
1	Term Loan from Punjab National Bank	39.96	42.71	46.40	46.84
2	Vehicle Loan from Punjab National Bank (Hyp. Swift Car)	0.98	0.92	0.84	-
3	Vehicle Loan from Punjab National Bank (Hyp.-Ertiga Car)	1.16	1.09	-	-
4	Vehicle Loan from Punjab National Bank (Hyp.-Fortuner Car)	3.41	3.44	3.60	-
5	SME Equipment Loan from ECL Finance Limited	29.15	32.16	28.05	-
6	SME Equipment Loan from ECL Finance Limited	59.30	53.38	27.85	-
7	GECL Working Capital Loan from Punjab National Bank	15.91	-	-	-
8	GECL Working Capital Loan from Punjab National Bank	97.22	-	-	-
9	GECL Working Capital Loan from ICICI Bank Limited	5.51	-	-	-
<b>Total (Rs.)</b>		<b>252.60</b>	<b>133.70</b>	<b>106.74</b>	<b>46.84</b>

**ANNEXURE NO. 8. RESTATED STATEMENT OF OTHER LONG TERM LIABILITIES :**

S No	Other Long Term Liabilities	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Sundry Creditors For Fixed Assets	63.81	125.06	45.85	18.18
<b>Total (Rs.)</b>		<b>63.81</b>	<b>125.06</b>	<b>45.85</b>	<b>18.18</b>

**ANNEXURE NO. 9. RESTATED STATEMENT OF LONG TERM PROVISIONS:**

S No	Long Term Provisions	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Leave Encashment	7.61	7.30	4.30	3.11
2	Gratuity	54.24	53.24	41.45	37.34
<b>Total (Rs.)</b>		<b>61.85</b>	<b>60.55</b>	<b>45.75</b>	<b>40.45</b>

**ANNEXURE NO. 10. RESTATED STATEMENT OF SHORT TERM BORROWINGS :**

S No.	Short Term Borrowings (* & **)	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	From Punjab National Bank	3,084.89	3,077.12	3,019.84	3,027.18
2	From ICICI Bank Limited	497.69	499.22	-	-
3	From National Small Industries Co. Ltd.	298.89	299.26	297.25	284.07
4	From ICICI Bank Limited-Non Fund Based Limit	-	-	-	226.79
5	From Punjab National Bank-FITL	137.85	-	-	-
<b>Total (Rs.)</b>		<b>4,019.32</b>	<b>3,875.60</b>	<b>3,317.09</b>	<b>3,538.05</b>

\*There is no default in Repayment of Loan.

\*\* Terms & Conditions of above loans are as under:- (In Chronological manner)

SNo.	Name of Bank	Nature of Facility & Sanctioned Limit	Rate of Interest/Margin	Primary Security	Terms of Repayment
1	Punjab National Bank	Working Capital Limit-Fund Based for Rs. 30.50 Cr. And Non-Fund Based Limit of Rs. 23 Cr and Term Loan of Rs. 1.65 Cr.	MCLR(1 year) 8.30%+1.30% -9.60% pa	Hypothecation of Stocks of Raw Material, Semi Finished and packing material of the company and charge on Block Assets of the company including factory land and building	Repayable on Demand

**Collateral Security:**

- Factory Land & Building situated at Plot No 3, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 4271/4272 dated 12.05.2016
- Factory Land & Building situated at Plot No 4, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 8903 dated 08.12.2009
- Factory Land & Building situated at Plot No 18, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 3986 dated 10.04.2012
- Factory Land & Building situated at Plot No 15, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 7671 dated 21.09.2016
- Residential House Situated at Plot No N-327, Shivalik Nagar, Phase -III, Haridwar vide sales deed no 1644 dated 01.03.2013

2	ICICI Bank Limited	CC Limit of Rs. 4 Cr.+ Rs. 50 Crore LC Limit	MCLR(6M)+1.25%	First Pari pasu Charge on all movable assets & Book Debts	Repayable on Due Date
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**Collateral Security:**

- Exclusive Charge of Factory land in the name of V Marc Electricals Private Limited situated at Plot No B -18, Sector-I Kotdwar, Uttaranchal, Siggaddi, Growth Center Industrial Area, Kotdwar-246149
- An Intermediary Industrial Property situated at Khasra No. 2& 6 Mukarrabpur, Tehsil Roorkee Distt. Haridwar
- Corporate Guarantee of V -Marc Electricals Private Limited and unconditional guarantee of Directors of the Company

3	National Small Industry Co. Limited	Raw Material Assistance against bank guarantee and bill discounting scheme	9% pa	Nil	Repayable on Due Date
4	ICICI Bank Limited	Purchase LC Bill Discounting Limit of Rs. 15.00 Cr & Sales LC Bill Discounting Limit of Rs. 5 Cr.	Applicable Rate at the time of Submission of Bill	Nil	Repayable on Due Date



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**ANNEXURE NO. 11 RESTATED STATEMENT OF TRADE PAYABLES :**

S No	Trade Payables	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Trade Payable to MSME*	24.35	-	-	-
2	Trade Payable to Others	3,249.32	4,470.47	3,943.42	2,004.14
	<b>Total (Rs.)</b>	<b>3,273.67</b>	<b>4,470.47</b>	<b>3,943.42</b>	<b>2,004.14</b>

\* Company is in the process of identifying suppliers who are micro enterprises or small enterprises under the Micro, Small & Medium Enterprises Development Act, 2006.

There is no principal and interest overdue to Micro and Small enterprises. During the year Rs. 1,64,040/- interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**ANNEXURE NO. 12 RESTATED STATEMENT OF OTHER CURRENT LIABILITIES :**

S No	Other Current Liabilities	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Current Maturities of Long term Borrowings	252.60	133.70	106.74	46.84
2	Statutory Dues Payable	12.25	33.31	20.10	72.75
3	Expenses Payable	113.76	113.83	118.98	112.82
4	Advance from Customers	207.68	81.83	249.33	311.00
5	Other Payables	36.08	10.08	8.21	0.09
	<b>Total (Rs.)</b>	<b>622.37</b>	<b>372.75</b>	<b>503.36</b>	<b>543.50</b>

**ANNEXURE NO. 13. RESTATED STATEMENT OF SHORT TERM PROVISIONS :**

S No	Short Term Provisions	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Provision for Taxation	306.18	172.23	196.55	104.02
2	Leave Encashment	0.58	0.49	0.29	0.21
3	Gratuity	4.51	2.61	1.92	1.86
	<b>Total (Rs.)</b>	<b>311.27</b>	<b>175.33</b>	<b>198.76</b>	<b>106.09</b>

**ANNEXURE NO. 14. RESTATED STATEMENT OF PROPERTY PLANT & EQUIPMENTS :**

S No	Property, Plant & Equipments	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Tangible Fixed Assets</b>				
	Gross Block	2,874.82	1,842.52	1,476.20	1,428.06
	Less: Accumulated Depreciation	959.53	839.61	738.78	627.66
	Net Block	1,915.29	1,002.92	737.42	800.40
b)	<b>Intangible Assets</b>		-		
c)	<b>Capital Work in progress</b>	146.60	1,035.85	599.21	80.19
d)	<b>Intangible Assets under Development</b>		-		
	<b>Total (Rs.)</b>	<b>2,061.89</b>	<b>2,038.76</b>	<b>1,336.63</b>	<b>880.59</b>

Note: These figures are only abstract of Depreciation Schedule. Detailed Depreciation Chart is separately enclosed.





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NOTES TO RESTATED FINANCIAL STATEMENTS

**Annexure No. 14. RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENTS :**

Amount in lacs

As at December 31, 2020

**TANGIBLE ASSETS**

Particulars	Cost or Deemed Cost					Accumulated Depreciation				Net Block	
	Opening as at April 01, 2020	Additions	Revaluation	Deductions	Closing as at December 31, 2020	Opening as at April 01, 2020	For the Year	Deletions/Adjustments	Closing as at December 31, 2020	As at 31-12-2020	As at 31-03-2020
Land	542.85	-	-	-	542.85	-	-	-	-	542.85	542.85
Building	258.02	225.83	-	-	483.85	149.79	16.86	-	166.65	317.20	108.23
Computers	11.41	8.28	-	-	19.69	9.92	0.96	-	10.88	8.81	1.49
Furniture & Fixtures	22.80	35.93	-	-	58.73	19.21	1.77	-	20.98	37.75	3.59
Plant & Machinery	950.77	764.68	-	2.42	1,713.02	637.95	93.63	1.19	730.39	982.63	312.81
Vehicles	56.68	-	-	-	56.68	22.73	7.90	-	30.63	26.05	33.95
Electricals Fitting	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>1,843.52</b>	<b>1,034.72</b>	<b>-</b>	<b>2.42</b>	<b>2,874.82</b>	<b>839.61</b>	<b>121.12</b>	<b>1.19</b>	<b>959.53</b>	<b>1,915.29</b>	<b>1,002.92</b>
<b>Capital Work in Progress</b>											
Plant & Building not put to use	1,035.85	130.31	-	1,019.56	146.60	-	-	-	-	146.60	1,035.85
<b>Total (B)</b>	<b>1,035.85</b>	<b>130.31</b>	<b>-</b>	<b>1,019.56</b>	<b>146.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146.60</b>	<b>1,035.85</b>
<b>INTANGIBLES</b>											
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B+C)</b>	<b>2,879.37</b>	<b>1,165.04</b>	<b>-</b>	<b>1,021.99</b>	<b>3,021.42</b>	<b>839.61</b>	<b>121.12</b>	<b>1.19</b>	<b>959.53</b>	<b>2,061.89</b>	<b>2,038.76</b>



V-MARC INDIA LIMITED

FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED  
NOTES TO RESTATED FINANCIAL STATEMENTS

**Annexure No. 14. RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENTS :**

Amount in lacs

As at March 31, 2020

**TANGIBLE ASSETS**

Particulars	Cost or Deemed Cost					Accumulated Depreciation				Net Block	
	Opening as at April 01, 2019	Additions	Revaluation	Deductions	Closing as at 31/03/2020	Opening as at April 01, 2019	For the Year	Deletions/Adjustments	Closing as at March 31, 2020	As at 31/03/2020	As at 31-03-2019
Land	201.49	341.36	-	-	542.85	-	-	-	-	542.85	201.49
Building	258.02	-	-	-	258.02	137.10	12.69	-	149.79	108.23	120.92
Computers	10.52	0.89	-	-	11.41	9.01	0.90	-	9.92	1.49	1.51
Furniture & Fixtures	22.80	-	-	-	22.80	17.85	1.36	-	19.21	3.59	4.95
Plant & Machinery	938.76	12.01	-	-	950.77	565.18	72.77	-	637.95	312.81	373.57
Vehicles	44.61	12.07	-	-	56.68	9.64	13.09	-	22.73	33.95	34.97
<b>Total (A)</b>	<b>1,476.20</b>	<b>366.32</b>	-	-	<b>1,842.52</b>	<b>738.78</b>	<b>100.82</b>	-	<b>839.61</b>	<b>1,002.92</b>	<b>737.42</b>
<b>Capital Work in Progress</b>											
Plant & Building not put to use	599.21	452.60	-	15.97	1,035.85	-	-	-	-	1,035.85	599.21
<b>Total (B)</b>	<b>599.21</b>	<b>452.60</b>	-	<b>15.97</b>	<b>1,035.85</b>	-	-	-	-	<b>1,035.85</b>	<b>599.21</b>
<b>INTANGIBLES</b>											
<b>Total (C)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (A+B+C)</b>	<b>2,075.41</b>	<b>818.92</b>	-	<b>15.97</b>	<b>2,878.37</b>	<b>738.78</b>	<b>100.82</b>	-	<b>839.61</b>	<b>2,038.76</b>	<b>1,336.63</b>



V-MARC INDIA LIMITED

FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED  
NOTES TO RESTATED FINANCIAL STATEMENTS

**Annexure No. 14. RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENTS :**

Amount in lacs

As at March 31, 2019

**TANGIBLE ASSETS**

Particulars	Cost or Deemed cost					Accumulated Depreciation				Net Block	
	Opening as at April 01, 2018	Additions	Revaluation	Deductions	Closing as at 31-03-2019	Opening as at April 01, 2018	For the Year	Deletions/Adjustments	Closing as at Mar 31, 2019	As at 31-03-2019	As at 31-03-2018
Land	201.49	-	-	-	201.49	-	-	-	-	201.49	201.49
Building	258.02	-	-	-	258.02	122.87	14.23	-	137.10	120.92	135.15
Computers	9.44	1.08	-	-	10.52	7.88	1.14	-	9.01	1.51	1.56
Furniture & Fixtures	22.39	0.41	-	-	22.80	16.03	1.82	-	17.85	4.95	6.37
Plant & Machinery	933.40	5.36	-	-	938.76	478.83	86.35	-	565.18	373.57	454.56
Vehicles	3.32	41.30	-	-	44.61	2.06	7.59	-	9.64	34.97	1.26
<b>Total (A)</b>	<b>1,429.06</b>	<b>48.14</b>	-	-	<b>1,476.20</b>	<b>627.66</b>	<b>111.12</b>	-	<b>738.78</b>	<b>737.42</b>	<b>800.40</b>
<b>Capital Work in Progress</b>											
Plant & Building not put to use	80.19	522.38	-	3.36	599.21	-	-	-	-	599.21	80.19
<b>Total (B)</b>	<b>80.19</b>	<b>522.38</b>	-	<b>3.36</b>	<b>599.21</b>	-	-	-	-	<b>599.21</b>	<b>80.19</b>
<b>INTANGIBLES</b>											
<b>Total (C)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (A+B+C)</b>	<b>1,509.25</b>	<b>570.52</b>	-	<b>3.36</b>	<b>2,075.41</b>	<b>627.66</b>	<b>111.12</b>	-	<b>738.78</b>	<b>1,336.63</b>	<b>880.59</b>



V-MARC INDIA LIMITED

FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED  
NOTES TO RESTATED FINANCIAL STATEMENTS

**Annexure No. 14. RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENTS :**

Amount in lacs

As at March 31, 2018

**TANGIBLE ASSETS**

Particulars	Cost or Deemed cost					Accumulated Depreciation				Net Block	
	Opening as at April 01, 2017	Additions	Revaluation	Deductions	Closing as at 31-03-2018	Opening as at April 01, 2017	For the Year	Deletions/Adjustments	Closing as at Mar 31, 2018	As at 31-03-2018	As at 31-03-2017
Land	201.49	-	-	-	201.49	-	-	-	-	201.49	201.49
Building	258.02	-	-	-	258.02	106.90	15.97	-	122.87	135.15	151.12
Computers	8.57	0.87	-	-	9.44	6.28	1.59	-	7.88	1.56	2.29
Furniture & Fixtures	9.25	13.15	-	-	22.39	5.20	2.47	8.35	16.03	6.37	4.04
Plant & Machinery	776.05	170.19	-	12.84	933.40	407.19	80.00	8.35	478.83	454.56	368.87
Vehicles	3.32	-	-	-	3.32	1.60	0.45	-	2.06	1.26	1.72
<b>Total (A)</b>	<b>1,257.70</b>	<b>184.20</b>	<b>-</b>	<b>12.84</b>	<b>1,428.06</b>	<b>527.18</b>	<b>100.48</b>	<b>-</b>	<b>627.66</b>	<b>800.40</b>	<b>729.52</b>
<b>Capital Work in Progress</b>											
Plant & Building not put to use	149.85	80.62	-	150.28	80.19	-	-	-	-	80.19	149.85
<b>Total (B)</b>	<b>149.85</b>	<b>80.62</b>	<b>-</b>	<b>150.28</b>	<b>80.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80.19</b>	<b>149.85</b>
<b>INTANGIBLES</b>											
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B+C)</b>	<b>1,407.55</b>	<b>264.83</b>	<b>-</b>	<b>163.12</b>	<b>1,508.25</b>	<b>527.18</b>	<b>100.48</b>	<b>-</b>	<b>627.66</b>	<b>880.59</b>	<b>879.37</b>



**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
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**NOTES TO RESTATED FINANCIAL STATEMENTS**

Amount in lacs

**ANNEXURE NO. 15. RESTATED STATEMENT OF DEFERRED TAX ASSETS**

S No	Property, Plant & Equipments	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Deferred tax Assets ( DTA )</b>				
	Difference between Tax Depreciation & Book	8.59	15.81	13.08	10.16
	Other DTA on Retirement Benefits	16.85	16.02	13.34	14.06
	<b>Total Deferred tax Assets ( DTA )</b>	<b>25.44</b>	<b>31.83</b>	<b>26.42</b>	<b>24.21</b>
b)	<b>Deferred tax Liabilities ( DTL )</b>				
	Difference between Tax Depreciation & Book	-	-	-	-
	Depreciation	-	-	-	-
	Other DTL	-	-	-	-
	<b>Deferred tax Liabilities ( DTL )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
c)	<b>Net deferred tax Assets</b>	<b>25.44</b>	<b>31.83</b>	<b>26.42</b>	<b>24.21</b>
	Less: Deferred Tax Assets not recognized considering matter of prudence	-	-	-	-
A	<b>Net Deferred Tax Assets</b>	<b>25.44</b>	<b>31.83</b>	<b>26.42</b>	<b>24.21</b>
B	<b>Mat Credit Entitlement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Deferred tax Assets ( A + B )</b>	<b>25.44</b>	<b>31.83</b>	<b>26.42</b>	<b>24.21</b>

Note: The company has not recognized such DTA in the accounts considering matter of prudence. Last year figures have been recasted to align with current year presentation.

**ANNEXURE NO. 16 RESTATED STATEMENT OF LONG TERM LOANS AND ADVANCES :**

S No	Long Term Loans & Advances	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
A)	<b>Capital Advances/Securities (Unsecured)</b>				
1	Advance for Land	18.90	18.90	194.75	-
2	Advance for Machinery	10.33	5.80	12.66	33.49
	<b>Total (Rs.)</b>	<b>29.23</b>	<b>24.70</b>	<b>207.41</b>	<b>33.49</b>

**ANNEXURE NO. 17. RESTATED STATEMENT OF OTHER NON -CURRENT ASSETS :**

S No	Non -Current Assets	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Security Deposits	25.50	24.82	24.65	18.32
2	Security Deposit against Machinery Lease & Finance	128.09	128.08	101.00	-
	<b>Total (Rs.)</b>	<b>153.59</b>	<b>152.90</b>	<b>125.65</b>	<b>18.32</b>

**ANNEXURE NO. 18. RESTATED STATEMENT OF INVENTORIES :**

S No	Inventories	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Raw Material	1,381.50	908.31	851.60	688.44
2	Stock in Process	135.36	102.54	107.70	121.00
3	Finished Goods	3,965.03	3,160.75	2,103.18	2,415.75
4	Packing Materials	32.09	11.24	13.05	4.77
5	Scrap	2.92	10.31	12.68	31.72
6	Stock in Transit	-	-	-	-
	<b>Total (Rs.)</b>	<b>5,516.90</b>	<b>4,193.16</b>	<b>3,088.21</b>	<b>3,261.69</b>

Finished goods are valued of cost or net realizable value on FIFO method. The quantity and value of the stock as taken & certified by the management of the company.



**V-MARC INDIA LIMITED**  
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**NOTES TO RESTATED FINANCIAL STATEMENTS**

Amount in lacs

**ANNEXURE NO. 19 RESTATED STATEMENT OF TRADE RECEIVABLES :**

S No	Trade Receivables	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
	<b>Unsecured, considered Good</b>				
1	Debts Outstanding for a period < 6 Month	3,636.14	4,957.37	5,334.81	3,288.66
2	Debts Outstanding for a period > 6 Month	522.82	791.54	242.36	255.15
	<i>Less: Provision for Doubtful Debts</i>	(52.18)	(52.18)	(36.51)	(23.34)
	<i>Provision for Late Delivery Charges</i>	-	(66.99)	-	(12.97)
	<b>Total (Rs.)</b>	<b>4,106.78</b>	<b>5,629.74</b>	<b>5,540.67</b>	<b>3,507.49</b>

**ANNEXURE NO. 20. RESTATED STATEMENT OF CASH AND CASH EQUIVALENT :**

S No	Cash & Cash Equivalent	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Cash-in-Hand	22.53	4.78	6.16	13.45
2	<b>Balance in Banks with:-</b>				
a)	State Bank of India	-	-	0.57	0.22
b)	Punjab National Bank	3.49	100.42	1.17	1.42
c)	ICICI Bank Limited	0.00	0.06	-	-
d)	Punjab National Bank	0.26	0.94	0.18	0.29
	<b>Total (Rs.)</b>	<b>26.28</b>	<b>106.19</b>	<b>8.07</b>	<b>15.38</b>

**ANNEXURE NO. 21. RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES :**

S No	Short Term Loans & Advances	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
	<i>Unsecured but Considered Good</i>				
1	Advance to Staff and others	4.17	2.54	3.56	1.20
2	Earnest Money Deposits	120.59	153.03	115.26	55.80
3	FDR kept as MarginMoney with Banks against Non- Fund	249.61	248.65	248.96	210.00
4	FDR kept as MarginMoney with Banks against Fund	260.14	252.28	241.18	120.00
5	Staff Imprest	5.26	4.90	11.37	3.82
6	Interest on Electricity Receivable	-	0.93	-	0.74
	<b>Total (Rs.)</b>	<b>639.76</b>	<b>662.33</b>	<b>620.33</b>	<b>391.56</b>

**ANNEXURE NO. 22. RESTATED STATEMENT OF OTHER CURRENT ASSETS :**

S No	Other Current Assets	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Prepaid Expenses	18.24	17.50	25.47	14.03
2	VAT Recoverable	18.19	18.19	18.19	18.43
3	Pollution Exp. Prepaid	-	2.40	3.00	-
4	GST Cash/TDS/Advance	42.77	43.58	116.19	465.22
5	TDS/TCS Recoverable	15.86	5.35	1.37	-
6	Advance to Suppliers	307.14	41.69	157.34	12.79
	<b>Total (Rs.)</b>	<b>402.20</b>	<b>128.71</b>	<b>321.57</b>	<b>510.46</b>



**V-MARC INDIA LIMITED**  
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Amount in lacs

**ANNEXURE NO. 23. RESTATED STATEMENT OF REVENUE FROM OPERATIONS :**

S No	Revenue from Operations	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Revenue from Sales of Goods</b>				
	Sales of Goods Manufactured-Retails	7,774.61	6,237.98	2,946.84	8,627.19
	Sales of Goods Manufactured-Turnkey Projects	1,301.10	4,124.32	9,627.64	1,117.62
	Sales of Goods Manufactured-Government Clients	3,960.69	6,759.19	7,920.52	4,787.42
	<b>Total (Rs.)</b>	<b>13,036.40</b>	<b>17,121.49</b>	<b>20,495.00</b>	<b>14,532.23</b>
	Less: Excise Duty	-	-	-	232.41
	<b>Total (Rs.)</b>	<b>13,036</b>	<b>17,121</b>	<b>20,495</b>	<b>14,300</b>
b)	<b>Other Operating Revenue</b>				
	Interest on late payment from customer	-	3.45	-	51.12
	<b>Total (Rs.)</b>	<b>-</b>	<b>3.45</b>	<b>-</b>	<b>51.12</b>
	<b>Gross Total Rs. (a+b)</b>	<b>13,036.40</b>	<b>17,124.94</b>	<b>20,495.00</b>	<b>14,350.93</b>

**ANNEXURE NO. 24. RESTATED STATEMENT OF OTHER INCOME :**

S No	Other Income	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Rental Income	0.45	0.22	-	-
2	Interest on Security Deposit	-	1.05	0.78	0.38
3	Interest on FDR	25.45	38.23	29.83	-
4	Profit on Sale of Assets	0.27	-	-	-
	<b>Total (Rs.)</b>	<b>26.16</b>	<b>39.50</b>	<b>30.61</b>	<b>0.38</b>

**ANNEXURE NO. 25. RESTATED STATEMENT OF COST OF MATERIAL CONSUMED :**

S No	Raw Material Consumed	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Raw Materials:-</b>				
	Opening Stock	919.56	864.64	693.21	812.37
	Add: Purchases	11,877.11	14,531.72	16,885.12	13,528.59
	Less: Discount Received	-	-	-	6.85
	<b>Total</b>	<b>12,796.66</b>	<b>15,396.36</b>	<b>17,578.33</b>	<b>14,347.81</b>
	Less: Closing Stock	1,413.58	919.56	864.64	693.21
	<b>Raw Material Consumed Rs</b>	<b>11,383.08</b>	<b>14,476.81</b>	<b>16,713.69</b>	<b>13,654.60</b>

**ANNEXURE NO. 26. RESTATED STATEMENT OF CHANGE IN INVENTORIES :**

S No	Changes in Inventories	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	<b>Work-in-progress</b>				
	Opening Balance	102.54	107.70	121.00	151.26
	Closing Balance	(135.36)	(102.54)	(107.70)	(121.00)
b)	<b>Finished Goods:-</b>				
	Opening Balance	3,171.06	2,115.86	2,447.48	987.92
	Closing Balance	(3,967.95)	(3,171.06)	(2,115.86)	(2,447.48)
	<b>Total (Rs.)</b>	<b>(829.71)</b>	<b>(1,050.04)</b>	<b>344.91</b>	<b>(1,429.30)</b>

**ANNEXURE NO. 27. RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES :**

S No	Employee Benefit Expenses	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Salary to Directors	126.00	146.00	144.00	81.00
2	Wages	186.26	405.73	320.09	197.82
3	Salary	165.04	269.91	236.79	230.55
4	Contribution to Provident fund	12.51	22.82	13.36	11.74
5	Contribution to Employees State Insurance Scheme	4.81	9.88	12.09	9.00
6	Gratuity Expenses	4.72	12.58	5.93	12.44
7	Leave Encashment Expenses	0.65	3.30	2.74	3.32
8	Staff Welfare	9.77	34.00	27.36	15.63
	<b>Total (Rs.)</b>	<b>509.76</b>	<b>904.22</b>	<b>762.37</b>	<b>561.51</b>



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Amount in lacs

**ANNEXURE NO. 28. RESTATED STATEMENT OF FINANCE COSTS :**

S No	Finance Costs	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Bank Charges & Commission	72.41	150.21	127.61	133.41
2	Interest on Loans	324.98	451.25	397.25	386.70
	<b>Total (Rs.)</b>	<b>397.39</b>	<b>601.46</b>	<b>524.86</b>	<b>520.11</b>

**ANNEXURE NO. 29. RESTATED STATEMENT OF DEPRECIATION AND AMORTIZATION EXPENSES :**

S No	Depreciation and Amortisation	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
1	Depreciation	121.12	100.82	111.12	100.48
	<b>Total (Rs.)</b>	<b>121.12</b>	<b>100.82</b>	<b>111.12</b>	<b>100.48</b>

**ANNEXURE NO. 30. RESTATED STATEMENT OF OTHER EXPENSES :**

S No	Other Expenses	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
A	<b>Direct Expenses</b>				
1	Consumable Goods	6.28	20.76	20.95	10.99
2	Freight & loading charges	16.23	24.75	20.60	13.38
3	Electricity Expenses	83.91	126.54	133.68	89.47
4	Repair & Maintenance -Plant & Machinery	17.80	19.98	22.95	13.72
5	Generator Running Exp.	37.51	67.61	58.20	10.52
6	Job Works charges	177.26	416.60	502.19	84.59
7	License & Testing Fee	25.43	45.54	32.95	8.34
B	<b>Indirect Expenses</b>				
1	Business Promotion	8.12	13.08	20.95	15.89
2	Carriage Outward	92.23	127.89	126.60	60.14
3	Loading & Unloading	7.00	14.99	17.38	22.32
4	Commission on Sales	47.90	136.21	137.04	36.30
5	Conveyance Expenses	8.37	15.08	14.24	9.40
6	Late Delivery Charges	198.63	186.99	40.49	32.91
7	Advertisement Expenses	28.73	31.21	26.70	3.69
8	Diwali Expenses	16.51	39.56	14.07	8.01
9	Donation	0.83	0.34	0.47	0.39
10	Electricity Expenses	0.41	0.53	0.82	0.75
11	Fees & Taxes	1.29	1.43	3.83	8.01
12	Insurance	9.39	23.17	19.95	5.66
13	Legal and professional charges	29.66	31.04	14.08	13.41
14	Rent	56.62	36.54	20.02	7.46
15	Postage & Courier Expenses	0.80	2.12	2.39	2.12
16	Printing & Stationery	1.76	2.94	4.03	3.37
17	Repair & Maintenance	3.55	6.66	1.86	4.00
18	Security Factory premises	19.39	20.67	17.98	16.32
19	Sundry Expenses	3.42	3.90	3.15	3.32
20	Telephone Expenses	2.46	3.71	3.17	3.36
21	ROC Fees	0.09	0.91	4.11	0.14
22	Tender Fee	3.77	8.49	7.50	4.36
23	Audit Fee	2.40	3.20	2.72	1.83
24	Miscellaneous Expenses	0.05	2.34	0.74	1.66
25	Travelling Expenses.	7.38	15.18	10.12	31.00
26	Interest on Income Tax, Late Fee & Other Interest	8.33	1.72	24.07	15.99
27	Insurance of Directors	-	-	-	19.01
28	Interest on Purchase of Goods	12.89	10.08	7.40	11.35
29	Provision for Doubtful Debts	-	15.67	13.17	4.77
30	CSR Expenditure*	6.05	11.57	7.48	-
	<b>Total (Rs.)</b>	<b>942.44</b>	<b>1,489.00</b>	<b>1,358.01</b>	<b>577.95</b>

**\*Corporate Social Responsibility**

S No	Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
a)	Amount of CSR required to be spent as per s.135 of Companies Act,2013 read with Schedule-VII	6.05	11.57	7.48	-
b)	Amount of CSR Spent during the Year	-	9.09	-	-
<b>Sector wise Break up of Expenditure</b>					
a)	Health	-	9.09	-	-





**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**NOTES TO RESTATED FINANCIAL STATEMENTS**

*Amount in Lacs*

**ANNEXURE NO. 31. RESTATED STATEMENT OF CONTINGENT LIABILITIES :**

Contingent Liabilities & Commitments	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
Capital Commitments (Letter of Credit issued)	756.73	680.25	1,079.97	942.51
Bank Guarantee issued not acknowledged as debts	1,541.33	1,540.65	1,120.68	986.84
<b>Total Rs</b>	<b>2,298.06</b>	<b>2,220.90</b>	<b>2,200.65</b>	<b>1,929.35</b>

**ANNEXURE NO. 32. RESTATED STATEMENT OF LEASED ASSETS:**

Leased Assets*	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Operating lease</b>				
Lease payments within 1 year	81.47	56.39	-	-
Lease payments >1 but <3 year	1.82	83.30	-	-
Lease payment recognised in Statement of profit & loss during the year/Capitalised	32.22	79.50	-	-
<b>Total Rs</b>	<b>115.52</b>	<b>162.79</b>	<b>-</b>	<b>-</b>

**\*Lease Arrangements**

The company has procured two machines for Rs. 3,12,70,000/- on 24.12.2018 at lease for 36 Month for lease rent of Rs .8,05,600/- (w.e.f. 10.01.2019) plus applicable taxes from M/s Clix Finance India Pvt Limited. It is cancellable lease on part of lessor. The Lessee has provided interest free security deposit of Rs. 93,81,000/- to the lessor.

**ANNEXURE No. 33. RESTATED STATEMENT OF ACCOUNTING RATIOS :**

Particulars	For the Year/Period ended			
	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
Net Worth (A)	3,818.92	3,417.34	2,952.74	2,293.79
Net Profit after Tax (B)	401.58	464.60	488.95	223.66
EBITDA	1,030.84	1,304.95	1,316.02	986.18
No of shares for Basic EPS	159.46	159.46	145.63	142.46
No of shares for Diluted EPS	159.46	159.46	145.63	142.46
Basic Earning Per Share (EPS)	2.52	2.91	3.36	1.57
Diluted Earning Per Share (EPS)	2.52	2.91	3.36	1.57
Return on Net worth (B/A)%	10.52	13.60	16.56	9.75
Net Assets Value per Share (A/F)	23.95	21.43	18.52	16.10
EBITDA Margins (%)	7.91	7.62	6.42	6.87

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) - Net profit after tax (as restated) / Net worth at the end of the period or year.

(d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

i) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

ii) Net worth for ratios mentioned is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).



**V-MARC INDIA LIMITED**  
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**NOTES TO RESTATED FINANCIAL STATEMENTS**

Amount in Lacs

**ANNEXURE NO 34 RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

**(A) List of Related Parties:**

Particulars	Relationship			
	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
Key Management Personnel (KMP) & Director				
Shri Vikas Garg	Director	Director	Director	Director
Smt. Meenakshi Garg	Director	Director	Director	Director
Shri Sandeep Kumar Srivastava	Director	Director	-	-
CS Chanchal Garg	Comp. Secy.	Comp. Secy.	Comp. Secy.	-
CS Neeraj Mudgal	-	-	-	Comp. Secy.
Enterprises owned or Significantly influenced by Key Management personnel or their relatives	V Marc Electricals Pvt Limited	V Marc Electricals Pvt Limited	V Marc Electricals Pvt Limited	V Marc Electricals Pvt Limited
	Asian Ambrosia India Pvt. Limited	Asian Ambrosia India Pvt. Limited	Royal Cable Industries	Vaibhav Trading Co.

**(B) Transactions During the Year**

Particulars	Relationship	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Loan Received:-</b>					
Shri Vikas Garg	KMP & Director	-	15.00	-	-
<b>Loan Repaid</b>					
Shri Vikas Garg		15.00	-	-	-
<b>Remuneration/Salary</b>					
Shri Vikas Garg	KMP & Director	68.00	84.00	84.00	48.00
Smt. Meenakshi Garg	KMP & Director	45.00	60.00	60.00	33.00
Shri Sandeep Kumar Srivastava	KMP & Director	13.00	2.00	-	-
CS Chanchal Garg	KMP & Director	1.28	1.60	-	-
CS Neeraj Mudgal	KMP & Director	-	0.21	1.27	1.27
Smt. Seema Garg	Relative of KMP	-	-	-	-
<b>Commission Paid:-</b>					
Shri Vikas Garg	KMP & Director	-	18.10	-	-
<b>Rent Received :-</b>					
V Marc Electricals Private Limited		0.53	0.22	-	-
<b>Sales of Goods:-</b>					
V Marc Electricals Private Limited		6.56	19.27	13.88	-
Asia Ambrosia India Pvt. Limited		2.03	1.52	3.19	1.26
<b>Purchase of Capital Goods:-</b>					
V Marc Electricals Private Limited	Enterprises Owned/influenced by KMP	-	4.21	-	1.15
<b>Purchase of Goods/Services:-</b>					
V Marc Electricals Private Limited		6,491.49	4,163.80	4,430.56	6,020.22
Royal Cable Industries		-	-	38.24	-
Vaibhav Trading Co.		-	-	-	22.13
Asia Ambrosia India Pvt. Limited		7.50	-	-	-
<b>Job Work Charges Paid:-</b>					
V Marc Electricals Private Limited		164.13	396.43	500.50	82.90

**(c) Balance at the end of Year**

Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
Unsecured Loans	-	15.00	-	-
Trade Payables				
-V Marc Electricals Pvt Limited	103.40	708.90	423.98	71.27
-Vaibhav Trading Co	-	-	-	5.93
-Royal Cable Industries	-	0.13	0.13	-
Trade Receivable				
Asia Ambrosia India Pvt. Limited	-	4.27	1.94	(1.25)
Remuneration/Salary Payable				
Shri Vikas Garg	9.08	7.32	18.35	18.90
Smt. Meenakshi Garg	3.11	4.75	3.52	14.21
Shri Sandeep Kumar Srivastava	16.42	2.00	-	-
CS Chanchal Garg	0.16	0.16	-	-
CS Neeraj Mudgal	-	-	-	-



**V-MARC INDIA LIMITED**  
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**NOTES TO RESTATED FINANCIAL STATEMENTS**

*Amount in Lacs*

**ANNEXURE NO 35 RESTATED STATEMENT OF RETIREMENT**

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 (as amended) on "Employee Benefits", are as follows:

<b>Leave Encashment</b>	<b>As on December 31,2020</b>	<b>As on March 31,2020</b>	<b>As on March 31,2019</b>	<b>As on March 31,2018</b>
<b>Expenses to be Recognised in P&amp;L Account:-</b>				
Current Service Cost	1.66	2.94	1.45	3.32
Interest Cost	0.38	0.32	0.23	-
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss Recognized in the I.V.P.	(1.39)	0.04	1.06	-
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>0.65</b>	<b>3.30</b>	<b>2.74</b>	<b>3.32</b>
<b>Amount to be recognized in the Balance Sheet:-</b>				
Present Value of Obligation at the end of the I.V.P	8.19	7.79	4.59	3.32
Fair Value of Plan Assets at the end of the I.V.P.	-	-	-	-
Funded Status	(8.19)	(7.79)	(4.59)	(3.32)
Unrecognized Actuarial (Gain)/Loss at the end of the I.V.P	-	-	-	-
<b>Net (Asset)/Liability Recognized in the Balance Sheet</b>	<b>8.19</b>	<b>7.79</b>	<b>4.59</b>	<b>3.32</b>
<b>Current Liability(Expected Payout in Next years as per Schedule III of Companies)</b>				
Current Liability (Short term)	0.58	0.49	0.29	0.21
Non Current Liability ( Long term)	7.61	7.30	4.30	3.11
<b>Total Liability</b>	<b>8.19</b>	<b>7.79</b>	<b>4.59</b>	<b>3.32</b>
<b>Changes in the Present Value of Obligations:-</b>				
Present Value of Obligation at the beginning of the I.V.P	7.79	4.59	3.32	-
Interest Cost	0.38	0.32	0.23	-
Current Service Cost	1.66	2.94	1.45	3.32
Benefits Paid	(0.26)	(0.09)	(1.48)	-
Actuarial (Gain)/Loss on Obligation	(1.39)	0.04	1.06	-
Present Value of Obligation at the end of the I.V.P	8.19	7.79	4.59	3.32
<b>Actuarial Assumption:-</b>				
Mortality Table	IALM (2012-14) Ultimate Published table of rates	IALM (2006-08) Ultimate Published table of rates	IALM (2006-08) Ultimate Published table of rates	IALM (2006- 08) Ultimate Published table of rates
Discounting Rate	7.00%	7.00%	7.00%	7.00%
Salary Rise	5.00%	5.00%	5.00%	5.00%
Return on Plan Assets	-	-	-	-



**V-MARC INDIA LIMITED**  
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**NOTES TO RESTATED FINANCIAL STATEMENTS**

<u>Gratuity</u>	<i>Amount in Lacs</i>			
	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Expenses recognized in the Statement of Profit &amp; Loss:-</b>				
Current Service Cost	8.45	11.60	9.84	8.86
Past Service Cost	-	-	-	6.80
Interest Cost	2.72	3.04	2.74	1.87
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss Recognized in the I.V.P.	(6.44)	(2.05)	(6.65)	(5.09)
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>4.73</b>	<b>12.58</b>	<b>5.93</b>	<b>12.44</b>
<b>Amount to be recognized in the Balance Sheet:</b>				
Present Value of Obligation at the end of the I.V.P	58.75	55.86	43.38	39.20
Fair Value of Plan Assets at the end of the I.V.P.	-	-	-	-
Funded Status	(58.75)	(55.86)	(43.38)	(39.20)
Unrecognized Actuarial (Gain)/Loss at the end of the I.V.P	-	-	-	-
<b>Net (Asset)/Liability Recognized in the Balance Sheet</b>	<b>58.75</b>	<b>55.86</b>	<b>43.38</b>	<b>39.20</b>
<b>Current Liability(Expected Payout in Next years as per Schedule III of Companies)</b>				
Current Liability (Short term)	4.51	2.61	1.92	1.86
Non Current Liability ( Long term)	54.24	53.24	41.45	37.34
<b>Total Liability</b>	<b>58.75</b>	<b>55.86</b>	<b>43.38</b>	<b>39.20</b>
<b>Changes in the Present Value of Obligations:-</b>				
Present Value of Obligation at the beginning of the I.V.P	55.86	43.38	39.20	26.76
Past Service Cost	-	-	-	6.80
Interest Cost	2.72	3.04	2.74	1.87
Current Service Cost	8.45	11.60	9.84	8.86
Benefits Paid	(1.83)	(0.10)	(1.75)	-
Actuarial (Gain)/Loss on Obligation	(6.44)	(2.05)	(6.65)	(5.09)
Present Value of Obligation at the end of the I.V.P	58.76	55.86	43.38	39.20

**Actuarial Assumption**

<b>Mortality Table</b>	IALM (2012-14) Ultimate Published table of rates	IALM (2012-14) Ultimate Published table of rates	IALM (2006-08) Ultimate Published table of rates	IALM (2006- 08) Ultimate Published table of rates
Discounting Rate	7.00%	7.00%	7.00%	7.00%
Salary Rise	5.00%	5.00%	5.00%	5.00%
Return on Plan Assets	-	-	-	-

**ANNEXURE NO 36 RESTATED STATEMENT OF SEGMENT REPORTING:-**

The Company primarily operates in one segment which comprises of manufacturing and sale of Wires & cables identified in accordance with principle enunciated in Indian Accounting Standard AS-108, Segment Reporting. Hence, separate business segment information is not applicable.

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segment"

The Company has one manufacturing Unit in the state of Uttarakhand and all the company is supplying its product within India. Since all supplies are only domestic supplies, hence there is no Geographical segments for disclosure as the secondary segment.



**V-MARC INDIA LIMITED**  
**FORMERLY KNOWN AS ASIAN GALAXY PRIVATE LIMITED**  
**NOTES TO RESTATED FINANCIAL STATEMENTS**

*Amount in Lacs*

**ANNEXURE NO. 37. RESTATED STATEMENT OF TAX SHELTER :**

Particulars	As on December 31,2020	As on March 31,2020	As on March 31,2019	As on March 31,2018
<b>Profit before tax as per profit &amp; loss (A)</b>	538.49	642.16	710.65	365.96
Applicable Corporate Tax Rate (%)	25.17%	25.17%	27.82%	33.06%
MAT Rates	NA	NA	19.24%	20.39%
Tax at Notional Rate				
<b>Adjustments :</b>				
Add : Section 37 Disallowances	6.87	28.55	48.40	41.71
Add: Section 43B Disallowance	0.40	3.21	24.52	3.60
Add: Section 40A	2.90	13.37	4.18	21.29
Add: Section 40	-	-	0.79	-
Add: Interest disallowable section 23	-	1.64	-	-
Less: Income from House Property	(0.45)	(0.22)	-	-
Less : Other Allowable Deduction	(0.27)	-	-	-
Less: Preliminary Expenses	-	-	-	(1.56)
<b>TOTAL</b>	<b>9.45</b>	<b>46.56</b>	<b>77.90</b>	<b>65.05</b>
<b>Timing Differences</b>				
Difference between tax depreciation and book depreciation	(29.67)	15.82	16.29	7.88
Depreciation as Per Book	121.12	100.82	111.12	100.48
Depreciation as Per Income Tax	150.78	85.01	94.83	92.60
Other allowable deduction	-	-	-	-
<b>Total Timing Differences (B)</b>	<b>(29.67)</b>	<b>15.82</b>	<b>16.29</b>	<b>7.88</b>
<b>Net Adjustments C = (A+B)</b>	<b>508.83</b>	<b>657.98</b>	<b>726.94</b>	<b>373.84</b>
<b>Income from Other Sources (D) - - - -</b>	-	22.33	-	-
<b>Income from Capital Assets (E)</b>	-	-	-	-
<b>Income from House Property(G)</b>	0.32	0.15	-	-
<b>Deduction under Chapter VIA</b>	-	-	-	(0.11)
<b>Loss of P.Y. Brought Forward &amp; Adjusted(F)</b>	-	-	-	-
<b>Taxable Income/(Loss) (C+D+E+F+G)</b>	<b>518.59</b>	<b>727.02</b>	<b>804.84</b>	<b>438.89</b>
<b>Taxable Income/(Loss) as per MAT</b>	-	-	710.65	365.96
<b>Tax as per MAT Calculation -1</b>	-	-	136.73	74.62
<b>Tax as per Normal Calculation -2</b>	<b>130.52</b>	<b>182.98</b>	<b>223.91</b>	<b>145.11</b>
<b>Income Tax as returned/computed (Higher of 1 or 2)</b>	<b>130.52</b>	<b>182.98</b>	<b>223.91</b>	<b>145.11</b>

**ANNEXURE NO. 38. RESTATED STATEMENT OF IMPACT OF COVID 19**

The outbreak of Covid 19 pandemic globally and in India has caused significant disturbance and slowdown of economic activity. Company has made initial assessment of likely adverse impact of the same on business and financial risk. Management as on date of approval of these financial statements, expects to recover the carrying amount of all its assets including inventory, property plant & equipment's trade receivable in ordinary course of business as on balance sheet date and has concluded that there is no material adjustments required in its financial statement.

Management believe that its impact is likely to be short term in nature and does not anticipate any medium to long term risk in the Company's ability to continue as Going concern and meeting its liabilities as and when they fall due. However the impact assessment of COVID-19 is a continuous process considering uncertainties involved therein, therefore, the company continues to monitor changes in future economic & business conditions.

**As per Our Separate Report of Even Date**

**For Rajeev Singal & Co**

Chartered Accountants



(CA Rajeev Kumar Singhal)

Partner

M No 077834

FRN: 008692C

Date: 06th February,2021

Place: Haridwar



**For & on behalf of the Board of Directors  
of V- Marc India Limited**



**Meenakshi Garg**

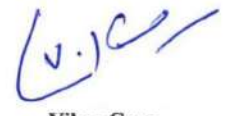
Director

DIN-0005268233



**Kanchan Gupta**

Company Secretary



**Vikas Garg**

Managing Director

DIN-0005268238



**Ranjan Kumar Sawarna**

Chief Financial Officer

## **OTHER FINANCIAL INFORMATION**

For details on Other Financial Information please refer to “Annexure 33 - Restated Summary Statement of Accounting Ratios” on page F-25 under chapter titled “Financial Statements” beginning on Page 148 of this Prospectus.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2020, on the basis of our Restated Financial Statements and as adjusted for the Issue.

Particulars	Pre-Issue as at December 31, 2020	Post Issue
<b>Borrowings</b>		
Current Borrowing(A)	4,019.32	4,019.32
Non-Current Borrowing (B)	1,043.45	1,043.45
Total Borrowings	<b>5,062.77</b>	<b>5,062.77</b>
<b>Shareholder's Funds</b>		
Equity Share Capital	1,594.57	2,278.57
Reserve and Surplus	2,224.35	4,207.95
<b>Total Capital</b>	<b>3,818.92</b>	<b>6,486.52</b>
Non-Current Borrowing/Total Equity	0.27	0.16
Total Borrowings/ Total Equity	1.33	0.78

**Notes:**

1. *The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at December 31, 2020.*
2. *Long term Debts includes current maturities of long term debt (as shown in Other Current Liabilities).*
3. *Post Issue Capitalisation has been determined after finalisation of Issue Price.*
4. *Post issue debt has been considered at pre-issue levels only*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the period ended December 31, 2020 and for financial years ended March 31, 2020, 2019 and 2018 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from Ind AS, IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statement" beginning on pages 21 and 15, respectively, and elsewhere in this Prospectus.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

### **BUSINESS OVERVIEW**

We are engaged in manufacturing and marketing of wires and cables under the brand name "V-Marc". Our Promoter Vikas Garg commenced business in a partnership firm in 2006 as a manufacturer and distributor of PVC insulated wires and cables and have over the years, evolved, expanded and diversified to become an established manufacturer of wires and cables with a total income of ₹ 17,164.44 lakhs in Fiscal 2020. We manufacture and sell a diverse range of wires and cables and our key products are single & multi-strand cables, CCTV cables, LAN cables, coaxial cables, telephone switchboard cables, power cables (LT and HT cables upto 33kv grade), flexible & control cables, core flat cables, solar cables, wires and aerial bunched cables. Our products are also certified as compliant with various quality standards including Bureau of Indian Standards ("BIS") and Certiva Limited ("CE").

We sell our products through a diversified sales & distribution mix, majorly by 1) securing government tenders for supply to government projects 2) supply to EPC contractors for turnkey projects and 3) our dealer & distribution network and direct sales to few private companies. We have completed 40, 25 and 19 government contracts during the financial year ended March 31, 2020, 2019 and 2018, respectively. For the nine months period ended December 31, 2020, our completed and ongoing government contracts totals 26. Over our operating history of more than a decade, we have supplied our products for various industries including power, real estate, telecom, and railways. We have an established supply chain comprising our network of authorized dealers and distributors. As on December 31, 2020 we have a dealer network of more than 650 dealers, (*out of which we have billed to around 354 dealers during the nine months period ended December 31, 2020*) who are spread over 12 states. We supply our products directly to our authorized dealers and distributors who in turn supply our products to various retail outlets in India. As on December 31, 2020, we have 1 warehouse and 5 sales depots to manage our supply chain operations. Further we had customers situated in around 21 states based on fiscal 2020.

We have two manufacturing facilities which are located at Haridwar, Uttarakhand. As on date of the Prospectus, we have a combined installed production capacity of 71,100 km p.a. Over the years, we have made continuous investments in our manufacturing infrastructure to support our product portfolio requirements and reach. We propose to set-up a new manufacturing facility with an additional installed capacity of 11,520 km p.a. With our proposed manufacturing facility, we aim to expand our manufacturing capabilities by way of installation of Catenary Continuous Vulcanization (CCV) Technology as well as increase our installed capacities for our existing product portfolio. For details, please refer chapter titled "*Objects of the Issue*" beginning on page 69 of the Prospectus. Our capabilities as a Company includes strict quality assurance system, in-depth production designing experience and established marketing and distribution relationships. We strive to deliver customized products and provide quality services. Our Unit I is accredited with ISO 9001:2015 and ISO 14001: 2015 certifications.

Our Company is promoted by Vikas Garg and Meenakshi Garg. Our Promoters supported by our dedicated team manage and control the major affairs of our business operations. We believe our success is the result of sustained



efforts over the years in key aspects of our business, such as product portfolio, process improvements, ability to secure government tenders, relationship with our dealers and increased scale of operations.

Our vision is to provide qualitative products at competitive prices. We have also been awarded by National Productive Council as MSME Unit of the Year 2015-2016.

For the nine months ended December 31, 2020 and for Fiscals 2020, 2019 and 2018, our revenue from operations was ₹13,036.40 lakhs, ₹17,124.94 lakhs, ₹20,495.00 lakhs and ₹14,350.93 lakhs, respectively, growing at a CAGR of 9.22% between Fiscal 2018 and Fiscal 2020. Our EBITDA for the nine months ended December 31, 2020 and for Fiscals 2020, 2019 and 2018 was ₹1,030.84 lakhs, ₹1,304.95 lakhs, ₹1,316.02 lakhs and ₹986.18 lakhs respectively, growing at a CAGR of 15.01% between Fiscal 2018 and Fiscal 2020, while our profit after tax for the nine months ended December 31, 2020 and for the Fiscals 2020, 2019 and 2018 was ₹ 401.58 lakhs, ₹ 464.60 lakhs, ₹ 488.95 lakhs and ₹ 223.66 lakhs respectively, growing at a CAGR of 44.06% between Fiscal 2018 and Fiscal 2020.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business activities or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as mentioned below:

1. The shareholders approved and passed special resolution in the Extraordinary General Meeting held on February 02, 2021 authorized the conversion of the Company into Public Limited Company
2. The Board approved and passed resolution on February 04, 2021, to raise funds by making Initial Public Offering.
3. The shareholders approved and passed special resolution on February 05, 2021, to authorize the Board of Directors to raise funds by making Initial Public Offering.

#### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 21 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of raw material;
- Outbreak of Covid-19;
- Our ability to manage our dealer & distribution network;
- Our ability to secure government tenders;
- Our ability to manage an adequate inventory levels;
- Default or delay in payment from customers;
- Pricing pressures from the competitive business environment;
- Changes in laws, rules & regulations and legal uncertainties;
- Economic and Demographic condition.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Use of Estimates**

The preparation of Restated Financial Information in conformity with GAAP requires that the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

##### **2. Accounting Assumptions:-**

###### **(i) Going Concern:-**

The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

**(ii) Consistency:-**

It is assumed that accounting policies are consistent from one period to another.

**(iii) Accrual:-**

Revenues and costs are accrued, that is, recognized as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate. (The considerations affecting the process of matching costs with revenues under the accrual assumption are not dealt with in this Statement.)

**3. Valuation of Inventories**

Finished goods are valued lower of cost or net realizable value and cost is defined on FIFO method. Raw Material and Work in progress are valued lower of cost or net realizable value cost is defined on FIFO method Scrap is valued at realizable value.

**4. Cash Flow Statements**

Cash flows are reported using the indirect method as set out in accounting standard -3 on cash flow statement issued by the Institute of Chartered accountants of India.

**5. Depreciation and Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the WDV method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**6. Revenue Recognition**

Revenue is recognized to the extent it is possible that economic benefits will flow to the company and the revenue can be reliably measured and there is a reasonable certainty regarding ultimate collection.

Revenue from sale of materials/ products is recognized on transfer of all significant risks and rewards of ownership of the goods to the customers, which generally coincides with the dispatch of goods. Sales are stated exclusive of GST/ VAT, trade discounts and sales returns.

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

**7. Property, plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a property, plant and equipment comprises its purchase price and any attributable to cost of bringing the asset to its working condition for its intended use. Expenditure on addition, improvements and renewals is capitalized and expenditure for maintenance and repair is charged to Profit and Loss account.

**8. Earnings per Share**

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding at the end of the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity share outstanding at the end of the year.

**9. Taxes on Income**

Tax expenses comprise of current and deferred tax

Current tax is measured at the amount expected to be paid on the basis of relief and deductions available in accordance with the provisions of Indian Income Tax Act, 1961 and includes Minimum Alternate Tax ("MAT") paid by the company on book profits in accordance with the provisions of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period and will be able to set off such MAT credit entitlement.

Deferred income tax reflects the impact of the current year reversible timing differences between the taxable income and accounting income for the Year and reversal of timing differences of the earlier Year. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In FY 2019-20 and onwards, in pursuant to section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Law (Amendment) Bill, 2019, the company has as irrevocable option of shifting to lower tax rates along with consequent reduction in certain tax incentives including lapse of accumulated MAT Credit.

There have been no instances of any default or non-payment of statutory dues by the Company, except as follows:

<b>Nature of Demand</b>	<b>Financial Year/ Assessment Year</b>	<b>Amount (Rs.)</b>
Income Tax	2013-14/2014-15	72,010
Income Tax	2017-18/2018-19	1,07,960
Income Tax	2018-19/2019-20	53,620
Income Tax	2019-20/2020-21	1,74,97,759.00 Plus Interest
Income Tax/Advance Tax	2020-21/2021-22	1,12,14,872.00 Plus Interest

#### **10. Impairment of Assets:**

An Asset is considered as impaired in accordance with AS -28 "Impairment of Assets" when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the assets belongs, exceeds its recoverable amount (i.e. the higher of the assets net selling price and value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of asset and from its ultimate disposal are discounted to their present values using a predetermined discount rate. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

#### **11. Provision of Contingent Liabilities**

Contingent Liabilities as defined in AS 29 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed here. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

#### **12. Retirement benefits to employee Gratuity:-**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company has not contributes all ascertained liabilities to any fund. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. The Company's overall expected long-term rate-of-return on assets has been determined based on consideration of available market information, current provisions of Indian law specifying the instruments in which investments can be made, and historical returns. The discount rate is based on the Government securities yield.

#### **13. Government Grant**

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective Fixed Assets. Other capital grants are credited to Capital Reserve.

#### **14. Current Assets, Loans and Advances**

The balance under item of Sundry Debtors, Loans and Advances and Current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However in the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

### **OVERVIEW OF REVENUE AND EXPENSES**

## Revenue and Expenses

Our revenue and expenses are reported in the following manner:

### Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations comprises of revenue from manufacturing and selling a diverse range of wires and cables which majorly include single/multistrand cables, CCTV cables, LAN cables, coaxial cables, telephone switchboard cables, power cables (LT and HT Cables upto 33kv grade), flexible & control cables, core flat cables, solar cables, wires and aerial bunched cables. Our other operating revenue includes interest on late payment from customers, received if any.

*Other Income:* Our other income comprises of interest on fixed deposits with bank, interest on security deposits, profit on sale of fixed assets and rental income.

### Expenses

Our expenses comprise of cost of raw materials consumed, changes in inventories of finished goods and work in progress, employee benefits expense, finance costs, depreciation & amortisation expense and other expenses.

*Cost of raw materials consumed:* Cost of raw materials consumed primarily consists of various types of aluminium rods, copper rods/wires, galvanized insulated wires, insulation materials such as PVC, XLPE etc. We majorly procure conductors from our Group Company, V-Marc Electricals Private Limited and process it further to manufacture the finished product. In certain cases, we supply them with the raw materials and get the same processed in conductor form on job-work basis.

*Changes in inventories of finished goods and work in progress:* Changes in inventories of finished goods and work in progress consist of changes in our inventories of work in progress and finished goods including scrap as at the beginning and end of the year.

*Employee benefit expenses:* Our employee benefit expenses include salaries, wages and bonus, contribution to provident fund, ESIC and other statutory funds, Staff welfare, directors' remuneration gratuity expenses and leave encashment expenses.

*Finance costs:* Our finance costs comprise of interest expenses on cash credit facility availed by the company, interest on term loans and on vehicle loans taken by the company along with bank charges and commission.

*Depreciation & amortisation expenses:* Depreciation & amortisation expenses comprise of depreciation on tangible fixed assets.

*Other expenses:* Our other expenses consist of direct and indirect expenses. Our direct expenses mainly includes consumable goods, freight & loading charges, electricity expenses, repairs & maintenance expenses, generator running expenses, job work charges and license & testing fees. Our indirect expenses mainly includes business promotion expenses, carriage outward, commission on sales, late delivery charges, advertisement expenses, diwali expenses, insurance expenses, legal and professional charges, rent, security factory premises, travelling expenses, interest on income tax, late fee & other interest, etc. amongst others.

## Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit & loss for the period ended December 31, 2020 and for the financial years ended March 31, 2020, 2019 and 2018 the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in lakhs)

Particulars	For the Period ended December 31, 2020		For the Year ended March 31, 2020		For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	₹ in lakhs	(%)*	₹ in lakhs	(%)*	₹ in lakhs	(%)*	₹ in lakhs	(%)*
<b>Income:</b>								
Revenue from operations	13,036.40	99.80	17,124.94	99.77	20,495.00	99.85	14,350.93	100.00
Other income	26.16	0.20	39.50	0.23	30.61	0.15	0.38	0.00

<b>Total Revenue</b>	13,062.57	100.00	17,164.44	100.00	20,525.61	100.00	14,351.31	100.00
<b>Expenses:</b>								
Cost of raw materials consumed	11,383.08	87.14	14,476.81	84.34	16,713.69	81.43	13,654.60	95.15
Changes in inventories of finished goods and work in progress	(829.71)	(6.35)	(1,050.04)	(6.12)	344.91	1.68	(1,429.30)	(9.96)
Employee benefit expenses	509.76	3.90	904.22	5.27	762.37	3.71	561.51	3.91
Finance costs	397.39	3.04	601.46	3.50	524.86	2.56	520.11	3.62
Depreciation & amortization expenses	121.12	0.93	100.82	0.59	111.12	0.54	100.48	0.70
Other expenses	942.44	7.21	1,489.00	8.67	1,358.01	6.62	577.95	4.03
<b>Total Expenses</b>	<b>12,524.07</b>	<b>95.88</b>	<b>16,522.28</b>	<b>96.26</b>	<b>19,814.96</b>	<b>96.54</b>	<b>13,985.34</b>	<b>97.45</b>
<b>Profit before exceptional and taxes</b>	<b>538.49</b>	<b>4.12</b>	<b>642.16</b>	<b>3.74</b>	<b>710.65</b>	<b>3.46</b>	<b>365.96</b>	<b>2.55</b>
Exceptional Items	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>538.49</b>	<b>4.12</b>	<b>642.16</b>	<b>3.74</b>	<b>710.65</b>	<b>3.46</b>	<b>365.96</b>	<b>2.55</b>
Tax expense :								
(i) Current tax	130.52	1.00	182.98	1.07	223.91	1.09	145.08	1.01
(ii) Deferred tax	6.39	0.05	(5.41)	(0.03)	(2.21)	(0.01)	(2.77)	(0.02)
<b>Total Tax Expense</b>	<b>136.91</b>	<b>1.05</b>	<b>177.57</b>	<b>1.03</b>	<b>221.70</b>	<b>1.08</b>	<b>142.30</b>	<b>0.99</b>
<b>Profit for the year</b>	<b>401.58</b>	<b>3.07</b>	<b>464.60</b>	<b>2.71</b>	<b>488.95</b>	<b>2.38</b>	<b>223.66</b>	<b>1.56</b>

\* (%) column represents percentage of total revenue.

## Review of Operations for the period ended December 31, 2020

### Total Revenue

Our total revenue amounted to ₹13,062.57 lakhs for the period ended December 31, 2020 which is on account of revenue from operations and other income as described below:

#### Revenue from operations:

Our revenue from operations was ₹13,036.40 lakhs which was 99.80% of the total revenue for the period ended December 31, 2020. The revenue from operations was on account of retail sales through our dealer network and direct sales to private companies, supply to EPC contractors for turnkey projects and revenue from supply against government contracts. Our revenue from retail sales and direct sales to private companies was ₹7,774.61 lakhs which is 59.64% of total operating revenue while income from government tenders is ₹3,960.69 lakhs accounts for 30.38% of total operating revenue. Total income from turnkey projects was ₹1,301.10 lakhs which is 9.98% of our total operating revenue.

#### Other income:

Our other income amounted to ₹26.16 lakhs which is 0.20% of our total revenue for the period ended December 31, 2020. Our other income comprise of interest on fixed deposit of ₹25.45 lakhs, rental income of ₹0.45 lakhs and profit on sale of fixed assets of ₹0.27 lakhs.

### Expenses

Our total expenses, excluding tax amounted to ₹ 12,524.07 lakhs for the period ended December 31, 2020 which is 95.88% of our total revenue.

#### Cost of raw materials consumed:

Our cost of material consumed was ₹ 11,383.08 lakhs which is 87.14% of the total revenue for the period ended December 31, 2020. Our cost of material consumed was primarily on account of purchase of aluminium and copper rods, insulation materials and galvanised insulated wires for the manufacturing of wires and cables. Further we procured semi-processed raw material i.e. conductors from our Group Company, V-Marc Electricals Private Limited which accounted for 54.66% of our total raw material purchase during the nine months period ended December 31, 2020.

*Changes in inventories of finished goods and work in progress*

Our changes in inventories of finished goods and work in progress was ₹(829.71) lakhs which was (6.35)% of our total revenue for the period ended December 31, 2020. It was on account of higher level of closing stock of finished goods and work in progress at the end of the period.

*Employee benefits expense:*

Our employee benefits expense was ₹509.76 lakhs which was 3.90 % of our total revenue for the period ended December 31, 2020. Our employee benefit expenses primarily consist of salaries & wages of ₹351.30 lakhs, director's remuneration of ₹126.00 lakhs, and contribution to provident fund of ₹12.51 lakhs, gratuity expenses of ₹4.72 lakhs, staff welfare expenses of ₹9.77 lakhs, contribution to employee state insurance scheme of ₹4.81 lakhs and leave encashment expenses of ₹0.65 lakhs.

*Finance costs:*

Our finance costs was ₹397.39 lakhs which was 3.04% of our total revenue for the period ended December 31, 2020. The interest was on account of cash credit facilities availed by the company, interest on term loans and interest on account of vehicle loan taken of ₹324.98 lakhs and bank charges & commission of ₹72.41 lakhs.

*Depreciation & amortization:*

Our depreciation & amortization expenses were ₹121.12 lakhs which was 0.93% of our total revenue for the period ended December 31, 2020.

*Other expenses:*

Our other expenses was ₹942.44 lakhs which was 7.21% of our total revenue for the period ended December 31, 2020. Our expenses majorly comprise of direct expenses of ₹364.41 lakhs and indirect expenses of ₹578.02 lakhs. Our direct expenses majorly comprises of job work charges of ₹177.26 lakhs, electricity expenses of ₹83.91 lakhs, generator running expenses of ₹37.51 lakhs, license & testing fees of ₹25.43 lakhs, repairs & maintenance expense of ₹17.80 lakhs, amongst others. Our indirect expenses comprises of late delivery charges of ₹198.63 lakhs, carriage outward of ₹92.23 lakhs, rent expenses of ₹56.62 lakhs, sales commission of ₹47.90 lakhs, legal & professional charges of ₹29.66 lakhs, advertisement expenses of ₹28.73 lakhs, security factory premises expenses of ₹19.39 lakhs, diwali expenses of ₹ 16.51 lakhs, amongst others.

*Profit before tax:*

Our profit before tax was ₹538.49 lakhs which was 4.12% of our total revenue for the period ended December 31, 2020.

*Tax expenses*

Our tax expense for the period ended December 31, 2020 was ₹136.91 lakhs which is 1.05% of our total revenue for the period ended December 31, 2020. It was on account of current tax expense of ₹130.52 lakhs and deferred tax liability of ₹ 6.39 lakhs.

*Profit after tax*

Due to the above mentioned reasons, our profit after tax was ₹401.58 lakhs which is 3.07% of our total revenue for the period ended December 31, 2020.

## **FINANCIAL YEAR 2019-20 COMPARED WITH FINANCIAL YEAR 2018-19**

### ***Total Revenue***

Our total revenue decreased by 16.38% to ₹17,164.44 lakhs for the financial year 2019-20 from ₹20,525.61 lakhs for the financial year 2018-19 due to the factors described below:

*Revenue from operations:* Our revenue from operations decreased by 16.44% to ₹17,124.94 lakhs for the financial year 2019-20 from ₹ 20,495.00 lakhs for the financial year 2018-19 mainly due to decrease in government sales by

₹1,161.33 lakhs, decrease in sales to EPC contractors for turnkey projects by ₹5,503.31 lakhs which was partially offset by increase in sales to private customers and sales through dealer network by 3,291.14 lakhs. The decrease in government sales was on account of gradual decrease in unlocking of tenders from the government. The turnkey sales was affected as majority of the contracts come in last quarter of the financial year which was impacted by Covid 19-Pandemic and lockdown during March. Our other operating revenue for the financial year 2019-20 of ₹3.45 lakhs was on account of interest on late payment from customers.

*Other income:* Our other income increased by 29.02% to ₹39.50 lakhs for the financial year 2019-20 from ₹30.61 lakhs for the financial year 2018-19 mainly because of increase in interest on fixed deposits by ₹8.40 lakhs, interest on security deposits by ₹0.27 lakhs and receipt of rental income of ₹ 0.22 lakhs as against nil rental income during fiscal 2019.

### **Total Expenses**

Our total expenses decreased by 16.62% to ₹16,522.28 lakhs for the financial year 2019-20 from ₹19,814.96 lakhs for the financial year 2018-19, due to the factors described below:

*Cost of raw materials consumed:* The cost of raw materials consumed for the financial year 2019-20 was ₹14,476.81 lakhs which has decreased by 13.38% as compared to ₹ 16,173.69 lakhs in financial year 2018-19. The decrease in cost of raw materials consumed was in line with the decrease in our revenue from operations.

*Changes in inventories of finished goods and work in progress:* Our changes in inventory of finished goods and work in progress changed by (404.44)% to ₹ (1,050.04) lakhs in financial year 2019-2020 from ₹ 344.91 lakhs in financial year 2018-2019. This was primarily due to higher level of closing stock of finished goods at the end of financial year 2019-2020 as compared to financial year 2018-2019.

*Employee benefit expenses:* Our employee benefit expenses increased by 18.61% to ₹904.22 lakhs for the financial year 2019-20 from ₹762.37 lakhs for the financial year 2018-19. The increase was mainly on account of increase in salaries & wages by ₹118.75 lakhs, increase in contribution to provident fund by ₹9.46 lakhs, increase in gratuity expenses by ₹ 6.65 lakhs, increase in staff welfare expenses by ₹6.63 lakhs, etc. This increase was slightly offset by decrease in contribution to ESIC by ₹2.20 lakhs. Increase in salaries, wages & bonus was on account of increase in overall remuneration of the employees and also on account of slight increase in number of employees.

*Finance costs:* Our finance costs increased by 14.60% to ₹601.46 lakhs for the financial year 2019-20 from ₹524.86 lakhs for the financial year 2018-19. Increase in our finance cost was primarily due to increase in interest expense on term loans and cash credit facilities availed by the company by ₹54.00 lakhs which was due to higher borrowings availed by the Company during financial year 2019-20 and increase in bank charges & commission by ₹22.60 lakhs.

*Depreciation & amortization expense:* Our depreciation & amortization expense decreased by 9.27% to ₹100.82 lakhs for the financial year 2019-20 from ₹111.12 lakhs for the financial year 2018-19.

*Other expenses:* Our other expenses increased by 9.65% to ₹1,489.00 lakhs for the financial year 2019-20 from ₹1,358.01 lakhs for the financial year 2018-19. The increase was on account of increase in indirect expenses by ₹200.72 lakhs which was partially offset by decrease in direct expenses by ₹69.72 lakhs. The increase in indirect expenses was mainly on account of increase in late delivery charges by ₹146.50 lakhs, increase in diwali expenses by ₹25.49 lakhs, increase in legal & professional expenses by ₹16.96 lakhs, increase in rent expenses by ₹16.52 lakhs, increase in travelling expenses by ₹5.06 lakhs, amongst others which was partially offset by decrease in interest on income tax and other interest by ₹22.35 lakhs, decrease in business promotion expenses by ₹ 7.87 lakhs amongst others. Decrease in direct expenses was mainly on account of decrease in job work charges by ₹85.59 lakhs, decrease in electricity expenses by ₹7.14 lakhs, etc. which was partially offset by increase in license & testing fee by ₹12.60 lakhs, increase in generator running expenses by ₹ 9.42 lakhs and freight & loading charges by ₹4.15 lakhs.

*Profit before tax:* Our profit before tax decreased by 9.64% to ₹ 642.16 lakhs for the financial year 2019-20 from ₹ 710.65 lakhs for the financial year 2018-19. The decrease in profits was in line with the decrease in our revenue from operations.

*Tax expenses:* Our tax expenses decreased by 19.91% to ₹177.57 lakhs for the financial year 2019-20 from ₹ 221.70 lakhs for the financial year 2018-19 mainly due to the decrease in current tax expense by ₹40.93 lakhs and increase

in deferred tax benefit by ₹3.21 lakhs for the financial year 2019-20 as compared to financial year 2018-2019.

*Profit after tax:* Due to reasons mentioned above, our profit after tax decreased by 4.98% to ₹464.60 lakhs for the financial year 2019-20 from ₹488.95 lakhs for the financial year 2018-19.

## **FINANCIAL YEAR 2018-19 COMPARED WITH FINANCIAL YEAR 2017-18**

### ***Total Revenue***

Our total revenue increased by 43.02% to ₹20,525.61 lakhs for the financial year 2018-19 from ₹14,351.31 lakhs for the financial year 2017-18 due to the factors described below:

*Revenue from operations:* Our revenue from operations increased by 42.81% to ₹ 20,495.00 lakhs for the financial year 2018-19 from ₹14,350.93 lakhs for the financial year 2017-18 mainly due to increase in revenue (gross of excise duty) from supply to EPC contractors for turnkey projects by ₹ 8,510.01 lakhs, increase in revenue (gross of excise duty) from government contracts by ₹3,133.10 lakhs which was set off by decrease in revenue (gross of excise duty) from dealers and private customers by ₹5,680.35 lakhs. The increase in revenue from government contracts and revenue from supply to EPC contractors was on account of new initiatives from government in the form of Deen Dayal Upadhyaya Project which brought many new tenders for rural infrastructure development.

*Other income:* Our other income increased by 8047.29% to ₹30.61 lakhs for the financial year 2018-19 from ₹0.38 lakhs for the financial year 2017-18 mainly because of increase in interest on security deposits by ₹0.41 lakhs and accrual of interest on fixed deposit of ₹ 29.83 lakhs as against no such income during financial year 2017-18.

### ***Total Expenses***

Our total expenses increased by 41.68% to ₹19,814.96 lakhs for the financial year 2018-19 from ₹13,985.34 lakhs for the financial year 2017-18, due to the factors described below:

*Cost of raw materials consumed:* Our cost of raw materials consumed increased by 22.40% to ₹16,713.69 lakhs for the financial year 2018-19 from ₹13,654.60 lakhs for the financial year 2017-18. The increase was in line with the increase in our revenue from operations.

*Changes in inventories of finished goods and work in progress:* Our changes in inventories of finished goods and work in progress changed by 124.13% to ₹344.91 lakhs in financial year 2018-19 from ₹(1,429.30) lakhs in financial year 2017-18. This was primarily due to lower level of inventories at the end of financial year 2018-19 as compared to financial year 2017-18.

*Employee benefit expenses:* Our employee benefit expenses increased by 35.77% to ₹762.37 lakhs for the financial year 2018-19 from ₹561.51 lakhs for the financial year 2017-18. The increase was mainly due to increase in salaries & wages by ₹128.51 lakhs, increase in salary to directors by ₹63.00 lakhs, increase in staff welfare expenses by ₹11.73 lakhs, amongst others. This increase was partially offset by decrease in gratuity expenses by ₹6.51 lakhs, amongst others. Increase in salaries, wages & bonus was on account of increase in overall remuneration of the employees and also on account of increase in number of employees.

*Finance costs:* Our finance costs slightly increased by 0.91% to ₹524.86 lakhs for the financial year 2018-19 from ₹520.11 lakhs for the financial year 2017-18. Increase in our finance cost was primarily due to increase in interest expense on term loans & cash credit facilities availed, by ₹ 10.55 lakhs which was partially offset by decrease in bank charges & commission by ₹ 5.81 lakhs.

*Depreciation & amortization expense:* Our depreciation & amortization expense increased by 10.59% to ₹ 111.12 lakhs for the financial year 2018-19 from ₹100.48 lakhs for the financial year 2017-18.

*Other expenses:* Our other expenses increased by 134.97% to ₹ 1,358.01 lakhs for the financial year 2018-19 from ₹577.95 lakhs for the financial year 2017-18. The increase was mainly on account of increase in direct expenses by ₹560.49 lakhs and increase in indirect expenses by ₹ 219.58 lakhs. Increase in direct expenses was mainly on account of increase in job work charges by ₹417.60 lakhs, increase in generator running expenses by ₹47.67 lakhs, increase in electricity expenses by ₹44.21 lakhs, increase in licence & testing fees expenses by ₹ 24.60 lakhs, amongst others. The increase in indirect expenses was mainly on account of increase in commission on sales by ₹100.75 lakhs, increase in carriage outward expenses by ₹ 66.46 lakhs, increase in advertisement expenses by ₹23.00 lakhs, increase in insurance expenses by ₹14.30 lakhs, increase in rent by ₹12.56 lakhs, amongst others. The increase in indirect expenses was partially offset by decrease in travelling expenses by ₹ 20.89 lakhs, decrease in



insurance of directors by ₹ 19.01 lakhs, decrease in loading & unloading expenses by ₹ 4.94 lakhs, decrease in fees & taxes by ₹ 4.17 lakhs, amongst others.

*Profit before taxes:* Our profit before taxes increased by 94.19% to ₹710.65 lakhs for the financial year 2018-19 from ₹365.96 lakhs for the financial year 2017-18. The increase in profit was mainly due to increase in our revenue from operations.

*Tax expenses:* Our tax expenses increased by 55.80% to ₹221.70 lakhs for the financial year 2018-19 from ₹142.30 lakhs for the financial year 2017-18 mainly due to increase in current tax expense by ₹ 78.83 lakhs and decrease in deferred tax asset by ₹ 0.57lakhs during the financial year 2018-19 as compared to financial year 2017-18.

*Profit after tax:* Due to reasons mentioned above, our profit after tax increased by 118.62% to ₹488.95 lakhs for the financial year 2018-19 from ₹223.66 lakhs for the financial year 2017-18.

### **Liquidity and Capital Resources**

Over the past three years and for the nine months period ended December 31,2020, we have been able to finance our working capital requirements through cash generated from our operations, equity infusion by our shareholders, and loans from banks, financial institutions and directors. We believe that after taking into account the IPO Proceeds, expected cash to be generated from our business and operations and the proceeds from our bank loans, we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Prospectus

The table below summaries our cash flows from our Restated Financial Information for the nine months period ended December 31, 2020 and for the financial years 2020, 2019 and 2018:

*(₹ in lakhs)*

Particulars	For the period ended December 31, 2020	For the year ended March 31,		
		2020	2019	2018
Net cash flow generated from operating activities (A)	48.51	928.14	762.19	480.63
Net cash flow utilized in investing activities (B)	(123.05)	(582.02)	(711.24)	(128.41)
Net cash flow utilized in financing activities (C)	(5.37)	(248.01)	(58.26)	(341.46)
Net (decrease)/ increase in cash & cash equivalents (A+B+C)	(79.91)	98.12	(7.31)	10.76
Cash and cash equivalents at the beginning of the period/ year	106.19	8.07	15.38	4.62
Cash and cash equivalents at the end of the period/ year	26.28	106.19	8.07	15.38

### **Operating Activities**

#### *For the period ended December 31, 2020*

Our net cash generated from operating activities was ₹48.51 lakhs for the period ended December 31, 2020 as a result of total cash generated from operations of ₹179.03 lakhs which was partially offset by payment of income tax paid of ₹130.52 lakhs. Our operating profit before working capital changes was ₹958.88 lakhs for the nine months period ended December 31, 2020 which was primarily adjusted by decrease in trade receivables by ₹1522.96 lakhs, increase in inventories by ₹1323.74 lakhs, decrease in trade payables by ₹1,196.79 lakhs, increase in other current assets by ₹ 273.49 lakhs, increase in other current liabilities by ₹ 249.62 lakhs, increase in short term borrowings by ₹ 143.72 lakhs, increase in short term provisions by ₹ 135.93 lakhs, amongst others.

#### *Financial year 2019-20*

Our net cash generated from operating activities was ₹928.14 lakhs for the financial year 2019-20, as a result of total cash generated from operations of ₹1,111.12 lakhs which was partially offset by payment of income tax paid of ₹182.98 lakhs. Our operating profit before working capital changes was ₹1,156.01 lakhs for the financial year 2019-20 which was primarily adjusted by increase in inventories by ₹1,104.95 lakhs, increase in short term borrowings by ₹558.51 lakhs, increase in trade payables by ₹527.05 lakhs, decrease in other current assets by ₹192.86 lakhs, decrease in other current liabilities by ₹130.62 lakhs, increase in trade receivables by ₹ 89.07 lakhs, increase in other long term liabilities by ₹79.21 lakhs, amongst others.

#### *Financial year 2018-19*

Our net cash generated from operating activities was ₹762.19 lakhs for the financial year 2018-19, as a result of total cash generated from operations of ₹986.10 lakhs which was partially offset by payment of income tax paid of ₹223.91 lakhs. Our operating profit before working capital changes was ₹ 1,189.19 lakhs for the financial year 2018-19 which was primarily adjusted by increase in trade receivables by ₹2033.18 lakhs, increase in trade payables by ₹1,939.28 lakhs, increase in short term loan & advances by ₹228.77 lakhs, decrease in short term borrowings by ₹ 220.96 lakhs, decrease in other current assets by ₹188.89 lakhs, decrease in inventories by ₹173.48 lakhs, increase in other non-current assets by ₹107.33 lakhs, increase in short term provisions by ₹92.67 lakhs, amongst others.

*Financial year 2017-18*

Our net cash generated from operating activities was ₹ 480.63 lakhs for the financial year 2017-18, as a result of total cash generated from operations of ₹625.71 lakhs which was partially offset by payment of income tax paid of ₹145.07 lakhs. Our operating profit before working capital changes was ₹ 779.76 lakhs for the financial year 2017-18 which was primarily adjusted by increase in inventories by ₹1,207.38 lakhs, increase in short term borrowings by ₹ 708.64 lakhs, increase in trade receivables by ₹535.07 lakhs, increase in other current liabilities by ₹418.47 lakhs, increase in trade payables by ₹ 244.05 lakhs, decrease in other current assets by ₹224.57 lakhs, amongst others

***Investing Activities***

*For the period ended December 31, 2020*

Net cash used in investing activities was ₹123.05 lakhs for the period ended December 31, 2020. This was primarily on account of purchase of fixed assets amounting to ₹145.47 lakhs and increase in long term loans and advances by ₹4.53 lakhs which was partially offset by interest on fixed deposits of ₹25.45 lakhs and profit on sale of fixed assets of ₹0.27 lakhs and sale of assets of ₹ 1.23 lakhs.

*Financial year 2019-20*

Net cash used in investing activities was ₹582.02 lakhs for the financial year 2019-20. This was primarily on account of purchase of fixed assets amounting to ₹802.96 lakhs which was partially offset by interest on fixed deposits of ₹38.23 lakhs and decrease in long term loans and advances by ₹182.71 lakhs.

*Financial year 2018-19*

Net cash used in investing activities was ₹711.24 lakhs for the financial year 2018-19. This was primarily on account of purchase of fixed assets amounting to ₹567.16 lakhs and increase in long term loans and advances by ₹173.91 lakhs which was partially offset by interest on fixed deposits of ₹ 29.83 lakhs

*Financial year 2017-18*

Net cash used in investing activities was ₹128.41 lakhs for the financial year 2017-18. This was primarily on account of purchase of fixed assets amounting to ₹101.70 lakhs and increase in long term loans and advances by ₹26.71 lakhs

***Financing Activities***

*For the period ended December 31, 2020*

Net cash used in financing activities for the period ended December 31, 2020 was ₹5.37 lakhs. This was primarily on account of finance costs incurred of ₹ 324.98 lakhs which was partially offset by increase in long term borrowings by ₹ 319.62 lakhs.

*Financial year 2019-20*

Net cash used in financing activities for the financial year 2019-20 was ₹248.01 lakhs. This was primarily on account of finance costs incurred of ₹ 451.25 lakhs which was partially offset by increase in long term borrowings by ₹203.25 lakhs.

*Financial year 2018-19*

Net cash used in financing activities for the financial year 2018-19 was ₹58.26 lakhs. This was primarily on account of finance costs incurred of ₹ 397.25 lakhs which was partially offset by increase in long term borrowings by ₹168.99 lakhs and proceeds from issue of equity capital by ₹170.00 lakhs.

*Financial year 2017-18*

Net cash used in financing activities for the financial year 2017-18 was ₹341.46 lakhs. This was primarily on account of finance costs incurred of ₹386.70 lakhs which was partially offset by increase in long term borrowings by ₹45.24 lakhs.

### **Financial Indebtedness**

As on December 31, 2020 the total outstanding borrowings of our Company is ₹ 5,062.77 lakhs which included long-term borrowings of ₹ 790.85 lakhs, short term borrowings of ₹ 4,019.32 lakhs and current maturities of long term debt of ₹ 252.60 lakhs. For further details, refer chapter titled “Financial Indebtedness” beginning on page 165 of this Prospectus.

(₹ in lakhs)

<b>Particulars</b>	<b>As at December 31, 2020</b>
<b>Long Term Borrowings (A)</b>	
<i>Secured Loans</i>	
- From Banks & Financial Institution	790.85
<b>Sub Total (A)</b>	<b>790.85</b>
<b>Short Term Borrowings (B)</b>	
<i>Short term Working Capital facilities from banks</i>	4,019.32
<b>Sub Total (B)</b>	<b>4,019.32</b>
<b>Current Maturities of Long Term Borrowings (C)</b>	<b>252.60</b>
<b>Total (A)+(B)+(C)</b>	<b>5,062.77</b>

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition. For further details, refer Risk Factor – “Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations” in the section titled “Risk Factors” beginning on page 21 of this Prospectus.

### **Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. Primarily such transactions include remuneration to directors and KMP, reimbursement of expenses, loans taken and repaid, purchase and sale of goods, job-work charges paid, etc. For further details relating to our Related Party Transactions, see “Annexure 34 - Related Party Transactions” on page F-26 under chapter titled “Financial Statements” beginning on page 148 of this Prospectus.

### **Contingent Liabilities and Commitments**

The following table sets forth our contingent liabilities as of as at December 31, 2020 as per Restated Financial Statements:

(₹ in lakhs)

<b>Particulars</b>	<b>As at December 31, 2020</b>
Capital Commitments (Letter of Credit issued)	756.73
Bank Guarantee issued not acknowledged as debts	1,541.33
<b>Total</b>	<b>2,298.06</b>

For further details, refer chapter titled “Financial Statements” beginning on page 148 of this Prospectus.

### **Off-Balance Sheet Items**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### **Qualitative Disclosure about Market Risk**

#### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

### **Liquidity risk**

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled "*Financial Statements*" beginning on page 148 of this Prospectus, there have been no reservations, qualifications and adverse remarks by our erstwhile statutory auditor for the previous three Fiscals.

### **Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled "*Financial Statements*" beginning on page 148 of this Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures & interest thereon or repayment of deposits & interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2017 up to March 31, 2020.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

### **Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 21 of this Prospectus.

### **Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations**

Other than as described in the section titled "*Risk Factors*" beginning on page 21 of this Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled “*Risk Factors*” beginning on page 21 of this Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

**Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2019-20 compared with financial year 2018-19 and Financial Year 2018-19 Compared With Financial Year 2017-18*” above.

**Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our company works under single reportable Industry segment.

**Competitive Conditions**

We have competition with Indian and international manufacturers & traders and our results of operations could be affected by competition in the wires & cables sector in India. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “*Risk Factors*” beginning on page 21 of this Prospectus.

**Increase in income**

Increases in our income are due to the factors described above in this chapter under “*Significant Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 21 of this Prospectus.

**Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

**Significant Dependence on a Single or Few Customers**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of contribution of our Company’s customers and suppliers *vis a vis* the revenue from operations and raw materials purchase respectively for the period ended on December 31, 2020 and for the financial year ended as on March 31, 2020 based on Restated Financial Statement are as follows:

Particulars	Suppliers		Customers	
	As at December 31, 2020	As on March 31, 2020	As at December 31, 2020	As on March 31, 2020
Top 5 (%)	76.59	64.21	58.22	42.40
Top 10 (%)	84.55	77.75	71.46	59.59

**Seasonality of Business**

The nature of our business is not seasonal. For further details please refer chapter titled “*Risk Factors*” beginning on page 21 of this Prospectus.

**Changes in Accounting Policies and Recent Accounting Pronouncements**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 148 of this Prospectus, there have been no changes in accounting policies of the Company.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

Pursuant to a special resolution of our Shareholders passed at the Annual General meeting held on December 15, 2020, our Board has been authorized to borrow monies, which, together with the monies already borrowed, exceeds the aggregate of the paid-up capital and free reserves apart from temporary loans borrowed in the ordinary course of business, from such person or persons on such terms and conditions as to the repayment, interest and otherwise as they may think fit and proper, provided that the aggregate amount so borrowed shall not, at any time, exceed ₹ 50,000.00 lakhs .

Set forth is a brief summary of our Company's secured and unsecured borrowings as on December 31, 2020 together with a brief description of certain significant terms of such financing arrangements.

### SECURED BORROWINGS

#### 1. Borrowings from PNB Bank Limited as per Sanction letter dated March 12, 2020

(₹ in Lakhs)

Nature of Facility	Sanctioned Limits (Lakhs)	Rate of Interest/ Commission	Tenor/ Valid upto	Outstanding as December 31, 2020
<b>Fund Based Limits</b>				
Cash Credit	3050.00	RLLR + 1.45% i.e. 8.10% pa	12 months	3,084.89
Term Loan	165.59	RLLR+ 1.45% i.e. 8.10% pa	50 months	57.20
<b>Non-Fund Based Limits</b>				
Inland Letter of Credit*	900.00	As per bank's schedule of charges	12 months	756.73
Inland Letter of Guarantee*	1400.00	As per bank's schedule of charges	12 months	1541.33
<b>Total</b>	<b>5,515.00</b>			<b>5440.15</b>

\*50% Interchangeability approved from LC to BG limit & 50% from BG to LC limit

### SECURITY DETAILS:

<b>Primary Security</b>
Hypothecation of Stocks of Raw Material, Semi Finished and packing material of the company and charge on Block Assets of the company including factory land and building
<b>Collateral Security</b>
Equitable mortgage of properties as mentioned below properties on entire exposure: 1) Factory Land & Building situated at Plot No 3, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 4271/4272 dated 12.05.2016 2) Factory Land & Building situated at Plot No 4, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 8903 dated 08.12.2009 3) Factory Land & Building situated at Plot No 18, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 3986 dated 10.04.2012 4) Factory Land & Building situated at Plot No 15, Sector IIDC, IIE, SIDCUL, Haridwar vide registered lease deed no 7671 dated 21.09.2016 5) Residential House Situated at Plot No N-327, Shivalik Nagar, Phase -III, Haridwar vide sales deed no 1644 dated 01.03.2013 6) Factory Land & Building situated at Plot no. 20A, Sector IIDC SIDCUL Haridwar vide lease deed no.1425 dated 06.03.2011 7) 1/536-F Friends Colony Industrial Area Jhilmil Shahdara Delhi-10095-Gift Deed dated 12.11.2013 8) 1991, Gali no.15 Vishwas Nagar Shahdara Delhi -110032 dated 08.06.2010
<b>Specific Covenants</b>
1) Party to infuse long term funds to maintain current ratio above benchmark level of 1.33:1 2) DP is to be allowed on book debts which are outstanding for more than 90 days or book debts arising out of sale to associate/allied/group concerns/ consignment agents. However DP against book debts shall be restricted to ₹ 1525.00 lakhs 3) Party to provide the complete address along with the email address and contact details of top 20 book debts or 70% of the total book debts in amount in terms of bank guidelines. 4) Party to submit the confirmation from the debtors along with the stock statement

**2. Borrowings from ICICI Bank Limited as per Sanction letter dated September 04, 2020**

(₹ in Lakhs)

Nature of Facility	Sanctioned Limits (Lakhs)	Rate of Interest/ Commission	Tenor/ Valid upto	Outstanding as December 31, 2020
<b>Fund Based Limits</b>				
Cash Credit	500.00	Repo rate + spread 4.35%	12 months	497.69
Sub Limit - Working capital demand loan	(400.00)	Repo rate + spread 4.10%		
<b>Non-Fund Based Limits</b>				
Letter of Credit	475.00	1.5% p.a.	12 months	-
Derivative	25.00	As per treasury rate	12 months	-
<b>Total</b>	<b>1,000.00</b>			<b>497.67</b>

<b>Primary Security</b>
First Pari-Passu charge on all the current assets of V-MARC India Limited
<b>Collateral Security</b>
<ul style="list-style-type: none"> <li>Plot No. B-18, Sector-1, Haridwar, Kotdwar, Uttranchal-246149, owned by V-Marc Electricals Private Limited or</li> <li>An intermediary industrial property situated at Khasra no.2 &amp; 6, village Mukarrabpur, Tehsil-Roorkee, District-Haridwar approx. value of ₹ 30.00 million owned by V-Marc India Limited (previously known as Asian Galaxy Private Limited) (to be taken as security for intermediary period)</li> </ul>
<ul style="list-style-type: none"> <li><b>Personal &amp; Corporate Guarantee</b></li> </ul>
1) Vikas Garg 2) Meenakshi Garg 3) V-Marc Electricals Private Limited

**3. Equipment Loan of ₹ 170.50 Lakhs from ECL Finance Limited as per Sanction letter dated December 18, 2018**

<b>Nature of Facility</b>	<b>Short Term Loan</b>
<b>Loan Amount</b>	₹ 170.50 Lakhs
<b>Rate of Interest</b>	11.00%
<b>Amount Outstanding as on December 31 , 2020</b>	₹ 103.32 Lakhs
<b>Security</b>	Hypothecation on the following equipment  1. Capital Machinery for cable industry – Skip laying machine  2. 1600/2240 Drum twister laying up machine
<b>Tenor</b>	36 months

**4. Equipment Loan of ₹ 91.50 Lakhs from ECL Finance Limited as per Sanction letter dated July 05, 2018**

<b>Nature of Facility</b>	<b>Short Term Loan</b>
<b>Loan Amount</b>	₹ 91.50 Lakhs
<b>Rate of Interest</b>	10.75%
<b>Amount Outstanding as on December 31 , 2020</b>	₹ 29.15 Lakhs
<b>Security</b>	Hypothecation on the following equipment  1. Copper taping machine with all standard accessories – M/s Jasminder Engineering works  2. 100 mm extrusion line with standard accessories and 80 mm extrusion line with standard accessories- M/s Saini Engineering Industries
<b>Tenor</b>	36 months

**5. Loan of ₹ 99.20 lakhs from ICICI Bank as per Sanction letter dated October 28, 2020**

<b>Nature of Facility</b>	<b>Working Capital Term Loan under GECL</b>
<b>Loan Amount</b>	₹ 99.20 Lakhs
<b>Rate of Interest</b>	EBLR + Spread of 0.55% (subject to overall cap of 9.25%)
<b>Amount Outstanding as on December 31, 2020</b>	₹ 99.20 Lakhs
<b>Security</b>	The Facility herein shall, rank second charge with the Existing Facility in terms of cash flows (including repayment) and shall be secured by (i) extension of second ranking charge over all the existing securities (including mortgage) created in favour of the ICICI Bank for the Existing facility ; and (ii) charge to be created on the assets created under the Facility
<b>Tenor</b>	48 months

**6. Loan of ₹ 700.00 lakhs from Punjab National Bank as per Sanction letter dated August 24, 2020**

<b>Nature of Facility</b>	<b>Working Capital Term Loan under GECL</b>
<b>Loan Amount</b>	₹ 700.00 Lakhs
<b>Rate of Interest</b>	RLLR + 0.85% i.e., 7.50%
<b>Amount Outstanding as on December 31, 2020</b>	₹ 704.46 Lakhs
<b>Security</b>	Extension of Charge on entire present and future current assets of the firms/company
<b>Tenor</b>	48 months

**7. Loan of ₹ 305.00 lakhs from Punjab National Bank as per Sanction letter dated March 30, 2020**

<b>Nature of Facility</b>	<b>Working Capital Term Loan under GECL</b>
<b>Loan Amount</b>	₹ 305.00 Lakhs
<b>Rate of Interest</b>	RLLR i.e., 7.50%
<b>Amount Outstanding as on December 31, 2020</b>	₹ 15.91 Lakhs
<b>Security</b>	Primary: Hypothecation of Assets created out of bank loan. DP (against debtors) can be provided against receivables upto 9 months. Collateral: Extension of charge on existing securities including personal guarantee
<b>Tenor</b>	18 months

**8. Loan of ₹ 300.00 lakhs from The National Small Industries Corporation Bank as per Sanction letter dated January 25, 2021**

<b>Nature of Facility</b>	<b>Working Capital under Raw Material Assistance Scheme</b>
<b>Loan Amount</b>	₹ 300.00 Lakhs
<b>Rate of Interest</b>	9%
<b>Amount Outstanding as on December 31, 2020</b>	₹ 298.89 Lakhs
<b>Security</b>	Bank Guarantee
<b>Tenor</b>	12 months

**9. Funded Interest term loan from Punjab National Bank as sanctioned on September 01, 2020**

<b>Nature of Facility</b>	<b>FITL Loan</b>
<b>Loan Amount</b>	₹ 136.93 Lakhs
<b>Rate of Interest</b>	8.10%
<b>Amount Outstanding as on December 31, 2020</b>	₹ 137.85 Lakhs
<b>Repayment</b>	3 months starting from January 31, 2021

**10. Auto Loan of ₹ 9.60 lakhs from Punjab National Bank as per Sanction letter dated August 22, 2019**

<b>Nature of Facility</b>	<b>Auto Loan</b>
<b>Loan Amount</b>	₹ 9.60 Lakhs
<b>Rate of Interest</b>	1 year MCLR +0.60%
<b>Amount Outstanding as on December 31, 2020</b>	₹ 8.14 Lakhs
<b>Tenor</b>	84 months
<b>Instalment</b>	EMI of ₹ 15,397
<b>Security</b>	Secured by hypothecation of Vehicle under Hire Purchase

**11. Auto Loan of ₹ 28 lakhs from Punjab National Bank as per Sanction letter dated August 16, 2018**

<b>Nature of Facility</b>	<b>Auto Loan</b>
<b>Loan Amount</b>	₹ 28.00 Lakhs
<b>Rate of Interest</b>	1 year MCLR +0.60%



<b>Amount Outstanding as on December 31, 2020</b>	₹ 20.97 Lakhs
<b>Tenor</b>	84 months
<b>Instalment</b>	EMI of ₹ 45,121
<b>Security</b>	Secured by hypothecation of Vehicle under Hire Purchase

**12. Auto Loan of ₹ 7.00 lakhs Punjab National Bank as per Sanction letter dated September 28, 2018**

<b>Nature of Facility</b>	<b>Auto Loan</b>
<b>Loan Amount</b>	₹ 7.00 Lakhs
<b>Rate of Interest</b>	1 year MCLR +0.60%
<b>Amount Outstanding as on December 31, 2020</b>	₹ 5.10 Lakhs
<b>Tenor</b>	84 months
<b>Instalment</b>	EMI of ₹ 8175
<b>Security</b>	Secured by hypothecation of Vehicle under Hire Purchase

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings involving our Company, Directors and Promoters; (II) actions taken by statutory or regulatory authorities involving our Company, Directors and Promoters; (III) claims involving our Company, Directors and Promoter for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); (IV) proceedings involving our Company, Directors and Promoters (other than proceedings covered under (I) to (III) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below); and (V) litigation involving the Group Company which has a material impact on our Company, as of the date of Prospectus. Further, except as discussed in this chapter, there are no disciplinary actions including penalties imposed by SEBI or stock exchange against our Promoters in the last five financial years including any outstanding action.

In terms of the Materiality Policy dated February 04, 2021, other than outstanding criminal proceedings, statutory or regulatory actions including outstanding actions, disciplinary action including penalty imposed by SEBI or stock exchange against the Promoters in the last five financial years and claims for any direct or indirect tax liabilities disclosed in point (I) to (III) above, all other pending litigations:

Involving our Company, our Directors and Promoters:

- i. where the aggregate monetary claim made by, or against, the Company, its Directors and its Promoters in any such pending litigation proceeding is in excess of 5% of the Company's net profit after tax for the financial year for the most recently completed fiscal year as per the restated financial statements of the Company; and
- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the position, business, operations, prospects or reputation of the Company.

shall be considered "material" and accordingly have been disclosed in this Prospectus.

For the purposes of the above, pre-litigation notices received by our Company, our Directors or our Promoters from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by the Board, be considered as litigation until such time that any of our Company, Directors or Promoters, as the case may be, is impleaded as a defendant in litigation before any judicial/arbitral forum or governmental authority.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on February 04, 2021 determined that outstanding dues to creditors in excess of 10% of total trade payable as of the end of most recent period covered in the restated financial statements for the period ended December 31, 2020 shall be considered as material dues ("Material Dues").

Unless otherwise stated to the contrary, the information provided is as of the date of this Prospectus.

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND GROUP COMPANIES**

Nature of Case	Number of Cases	Outstanding Amount (in lakhs)
<b><i>Company</i></b>		
Direct Tax*	03	2.33
Indirect Tax	NIL	NIL
<b><i>Directors (other than Promoters)</i></b>		
Direct Tax	02	15.01
Indirect Tax	NIL	NIL
<b><i>Promoters</i></b>		
Direct Tax	06	2.60
Indirect Tax	NIL	NIL
<b><i>Subsidiaries</i></b>		
Direct Tax	NA	NA

Indirect Tax	NA	NA
<b>Group Companies</b>		
Direct Tax	02	1.44
Indirect Tax	NIL	NIL

Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

## **OTHER LITIGATIONS**

### ***I. Litigation proceedings initiated against our Company***

#### a) Criminal proceedings:

#### **Jai Bhagwan Singhal & Ors. Vs. Asian Wires & Cable Industries & Ors.**

Asian Wires & Cable Industries, erstwhile partnership firm had filed matter under section 138 of the Negotiable Instruments Act, 1881 against Jai Bhagwan Singhal (“customer”) before the Court of Hon’ble Additional Civil Judge (S.D.) second (“Hon’ble Court”). It is to be noted that goods worth ₹ 40,88,063/- (Rupees Forty Lakhs Eighty Eight thousand Sixty Three only) were supplied by our *erstwhile partnership firm* to the customer. Payment of the same was made via two cheques having number 036637 dated 30.04.2013 of ₹ 20,00,000/- (Rupees Twenty Lakhs) and cheque number 036666 dated 18.07.2013 for an amount of ₹ 20,88,063/- (Rupees Twenty Lakhs Eighty Eight thousand Sixty Three only). However, on depositing both the cheques got returned. The Hon’ble court heard the matter and ordered the customer to pay the amount ₹ 40,88,063/- (Rupees Forty Lakhs Eighty Eight thousand Sixty Three only) to our firm and was awarded punishment of 3 months simple imprisonment under Section – 138 of Negotiable Instruments Act, 1881. The customer being aggrieved by the order of the Hon’ble judgement has filed an appeal before Court of hon’ble District and Sessions Judge, Haridwar. The matter is pending in appeal against our firm.

#### **Siddhivinayak Electric Traders Private Limited & Ors. Vs. Asian Galaxy Private Limited & Ors.**

Asian Galaxy Private Limited (“Company”) had filed 2 petitions under section 138 of the Negotiable Instruments Act, 1881 against Siddhivinayak Electric Traders Private Limited (“customer”) before the Court of Additional Chief Metropolitan Magistrate Haridwar under Section – 138 of Negotiable Instruments Act, 1881 for an amount of Rs.65,75,000/- (Rupees Sixty Five Lakhs Seventy Five Thousand only) each. However, on depositing both the cheques got returned. The Hon’ble court after hearing the parties in both the petitions had ordered the customer to pay financial fine of Rs.65,70,000/- (Rupees Sixty Five Lakhs Seventy Five Thousand only) each i.e. ₹ 1,31,40,000/- (Rupees One Crore Thirty One Lakhs Forty Thousand) and had awarded six months simple imprisonment to the customer. The customer being aggrieved by the order of the Hon’ble judgement has filed an appeal before Court of hon’ble District and Sessions Judge, Haridwar. The matter is pending in appeal against our firm.

#### b) Statutory or regulatory proceedings:

Nil

#### c) Other pending proceedings:

Nil

### ***II. Litigation proceedings initiated by our Company***

#### a) Criminal proceedings:

Our Company has filed 17 number of Criminal Complaints under Section 138 of Negotiable Instruments Act, 1881 against individuals and entities, for bouncing of cheques issued by them aggregating to an amount of ₹ 34,73,083 (Rupees Thirty Four Lakhs Seventy Three Thousand Eighty Three).

#### b) Other pending proceedings:

Nil

### ***III. Litigation proceedings initiated against our Directors***

- a) Criminal proceedings:  
Nil
- b) Statutory or regulatory proceedings:  
Nil
- c) Other pending proceedings:  
Nil

**IV. *Litigation proceedings initiated by our Directors***

- a) Criminal proceedings:  
Nil
- b) Other pending proceedings:  
Nil

**V. *Litigation proceedings initiated against our Promoters***

- a) Criminal proceedings:  
Nil
- b) Statutory or regulatory proceedings:  
Nil
- c) Other pending proceedings:  
Nil
- d) Disciplinary action including penalty imposed by SEBI or stock exchange against promoters in the last five financial years including outstanding action:  
Nil

**VI. *Litigation proceedings initiated by our Promoters***

- a) Criminal proceedings:  
Nil
- b) Other pending proceedings:  
Nil

**VII. *Any pending litigation involving the Group Company which has a material impact on our Company***

Nil

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 151 of this Prospectus, there have been no material developments, since the date of the last financial statements.

**OUTSTANDING DUES TO CREDITORS**

As of December 31, 2020, we had 224 creditors. The aggregate amount outstanding to such creditors as on December 31, 2020 was ₹ 3,273.74 Lakhs.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed 10% of the total trade payables of our Company as per the Restated Financial

Statements of our Company for the year ended December 31, 2020 included in this Prospectus, shall be considered as 'material'.

Details of outstanding dues owed as at December 31, 2020 to MSMEs and other creditors are set out below.

<b>Creditors</b>	<b>Number of Cases</b>	<b>Amount due (in ₹ Lakhs)</b>
MSMEs	1	24.35
Other Creditors	223	3,249.39

The details pertaining to amounts due towards the material creditors are available on the website of our Company at [www.v-marc.com](http://www.v-marc.com)

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.v-marc.com](http://www.v-marc.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of integrated facilities management services, we require various approvals and/ or licenses under various laws, rules and regulations.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except proposed activities of Company or any other entity are required to undertake the Issue or continue its business activities. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “*Key Industry Regulations and Policies*” on page 115 of this Prospectus.

The Company has its business located at:

### **Registered Office, Works, Sale and Corporate Office:**

Plot No 3, 4, 18 & 20A, Sector - IIDC, SIDCUL, Haridwar, Uttarakhand – 249403.

**Branch Office/Marketing Office:** 203, Aditya Complex, LSC, Savita Vihar, North East Delhi, Delhi – 110092.

### **Manufacturing Unit/ Factory:**

**Unit I:** Plot No. 3, 4, 18, 20A, Sector – IIDC, SIDCUL, Haridwar, Uttarakhand – 249403.

**Unit II:** Plot No 15, Sector 8B, SIDCUL, Haridwar, Uttarakhand – 249403.

### **Warehouse/ Depot:**

1. 1<sup>st</sup> Floor, 2129646, Anjali Bhawan, Lal Bhal Gali, Exhibition Road, Patna-800 001.
2. HIG-II/30, BDA Colony, Kapila Prasad Housing Scheme, Bhubaneswar, Khordha, Odisha-751002.
3. 273/5, Kelod Hala, Dewas Naka, Indore, Madhya Pradesh-453771.
4. A 4/19, Rawal Pindi Garden, Chikambarpur, Ghaziabad, Uttar Pradesh.
5. Sharma Building, Asian Galaxy Private Limited, M I Road, Jaipur, Rajasthan, 30200.

**Raw Material Storage:** Plot 41, 42 IIDC, SIIDCUL, Haridwar, Uttarakhand - 249403.

**Proposed Plant:** Khasra No. 1, 2, 6, Near Sanjeeda Petrol Pump, Bahadrabad - Bhagwanpur Road, Post Kaliyar, Roorkee, Haridwar, Uttarakhand – 247667.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on February 04, 2021, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on February 05, 2021 authorized the Issue.

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated March 05, 2021 bearing reference no. NSE/LIST/926.

### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated February 24, 2021 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated February 24, 2021 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE0GXXK01018.

### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated March 04, 2014 issued by the Registrar of Companies, Uttarakhand, in the name of “Asian Galaxy Private Limited”.
2. The Certificate of incorporation pursuant to change of name dated February 03, 2021 issued by the Registrar of Companies, in the name of “V-Marc India Private Limited”
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on February 04, 2021 by the Registrar of Companies, Uttarakhand in the name of “V-Marc India Limited”.
4. The Corporate Identification Number (CIN) of the Company is U31908UR2014PLC001066.

### **APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

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:

<b>Sr. No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration No./ Reference No./ License No.</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	AAMCA4908L	July 30, 2018	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2.	Udyog Aadhar Memorandum	Government of India, Ministry of Micro, Small and Medium Enterprises.	UK06B0000675	May 24, 2016	NA
3.	Udyam Registration Certificate	Government of India, Ministry of Micro, Small and Medium Enterprises.	UK-06-0002318	December 17, 2020	NA
4.	License to work as a factory for Manufacturing Unit II – Plot No. 3, 4, 18 & 20A under Factories Act,	Deputy Director of Factories, Uttarakhand	HWR-615	June, 02, 2008	December 31, 2021

	1948 and Rules made thereunder.				
5.	Fire License under Uttarakhand Fire and Emergency Services for Unit I - Plot no. 3,4,18 & 20A	Office of Chief Fire Officer, Janpad, Haridwar	NA	September 21, 2019	March 31, 2021

**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAMCA4908L	March 04, 2014	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	MRTA05699B	March 25, 2014	Perpetual
3.	Goods and Service Tax – Registration Certificate (Uttarakhand)	Government of India	05AAMCA4908L1ZG	January 24, 2020	Perpetual
4.	Goods and Service Tax – Registration Certificate (Delhi)	Government of India	07AAMCA4908L1ZC	September 13, 2018	Perpetual
5.	Goods and Service Tax – Registration Certificate (Patna)	Government of India	10AAMCA4908L1ZP	October 19, 2020	Perpetual
6.	Goods and Service Tax – Registration Certificate (Madhya Pradesh)	Government of India	23AAMCA4908L1ZI	December 04, 2017	Perpetual
7.	Goods and Service Tax – Registration Certificate (Uttar Pradesh)	Government of India	09AAMCA4908L1Z8	September 24, 2017	Perpetual
8.	Goods and Service Tax – Registration Certificate (Odisha)	Government of India	21AAMCA4908L1ZM	September 16, 2020	Perpetual
9.	Goods and Service Tax – Registration Certificate (Rajasthan)	Government of India	08AAMCA4908L1ZA	September 24, 2017	Perpetual
10.	Certificate of Registration of Service Tax for Plot No. 3 & 4. (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AAMCA4908LSD001	April 01, 2014	Perpetual



Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
11.	Certificate of Registration of Service Tax for Plot No. 18 & 20A.  (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AAMCA4908LSD002	April 01, 2014	Perpetual

#### **LABOUR RELATED APPROVALS/REGISTRATIONS**

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue
1.	Employees Provident Fund Registration  (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	UKDDN0036377000	February 21, 2015
2.	Registration for Employees State Insurance  (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation	61000075010000304	October 28, 2010
3.	Registration for contract labour under sub-section (2) of Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970	Labour Department, Uttarakhand	UKCLAHWR000062	September 25, 2019

#### **ENVIRONMENT RELATED LICENSES/ APPROVALS/ REGISTRATIONS**

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Consolidated Consent & Authorisation (CC&A) issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules, 2008	Uttarakhand Environment Protection and Pollution Control Board.	UEPPCB/HO/Con/A-241/2019/630  PCB ID – 16535  Consent No. 39504	August 30, 2019	March 31, 2024
2.	Consent to Establish the Unit for Unit I - Plot No. 3 & 4, 18 and 20A for a product	Uttarakhand Pollution Control Board, Dehradun	UPPCB/HO/NOC-2096/2014/1476	May 28, 2014	NA

	at a particular production capacity issued by State Pollution Control Board				
3.	Consent to Establish for Unit - II Plot No. 15 for a product at a particular production capacity issued by State Pollution Control Board	Uttarakhand Environment Protection and Pollution Control Board, Dehradun	CTE – 39230	February 21, 2019	December 21, 2023
4.	License to work as a factory for Manufacturing Unit II – Plot No. 15 under Factories Act, 1948 and Rules made thereunder.	Labour Department, Uttarakhand	HWR-1553	February 24, 2021	December 31, 2021
5.	Fire License under Uttarakhand Fire and Emergency Services for Unit II - Plot no. 15	Office of Chief Fire Officer, Janpad, Haridwar	NA	February 25, 2021	February 24, 2022
6.	Consolidated Consent & Authorisation (CC&A) issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules, 2008	Uttarakhand Pollution Control Board	Provisional Consent Order	February 25, 2021	March 31, 2022



#### **OTHER BUSINESS RELATED APPROVALS**

<b>Sr No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration Number</b>	<b>Date of Certificate</b>	<b>Date of Expiry</b>
1.	Certiva Certified Certificate	Certiva Limited, European Economic council	IN9242U-2020	October 30, 2020	October 29, 2023
2.	ISO 14001:2015 Environmental Management System	Director, LMS Certifications Private Limited, Lucknow	IN114630B	October 26, 2020	November 15, 2021
3.	ISO 9001:2015 Quality Management System	Worldwide Standard Certifications	WSC-2150350-C	May 14, 2020	May 17, 2021

#### **INTELLECTUAL PROPERTY RIGHTS**

## TRADEMARK


We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Trademark Type	Classes	Applicant	Application Number	Date of Application	Validity /Renewal	Registration Status
1.		Device	9	Vikas Garg	1320709	November 17, 2004	November 17, 2024	Registered
2.		Device	9	Vikas Garg	4821669	January 15, 2021	-	Accepted & Advertised

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

The Promoter of our Company is the proprietor of the registered trademark “V-Marc” (Class 9) (Application No.1320709). Our Promoter has assigned the “V-Marc” Trademark in favour of our Company through the deed of assignment entered on February 04, 2021. Consequently, our Company is in process of making an application for assignment of the trademark.

Vikas Garg, Promoter, of our Company, has applied for registration of trademark under class 9 vide application

no. 4821669 dated January 15, 2021. He has also agreed to assign the trademark “” in favour of our Company upon the grant of the registration which will enable our Company to prohibit the use of such trademark by third parties. For further details, please refer Risk Factor “***Our Company is in process of making and application for Assignment of trademark “V-Marc” in the name of our Company and registration and***

***assignment for the trademark “” is pending”***

### PENDING APPROVALS:

1. Our Company has made an application for obtaining fire NOC for the proposed plant having application number 82602489.
2. Our Company has made an application dated January 30, 2021 for Consent to establish for the proposed plant and has paid the fees of Rs.75000/- vide transaction ID 817457867.

### MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Our Company is yet to apply for change of name on all the above approvals/ licenses.
2. Our Company had filed Common Application Form No. 3901 and 4665 expressing its intent to setup manufacturing/service enterprise (the proposed plant). The District/State Nodal Agency Single Window Clearance System, Government of Uttarakhand has granted in-principle approval for establishment of enterprise vide letters dated June 26, 2019 and May 21, 2019 respectively. However, our Company is yet to apply for the final approvals for establishment of the enterprise.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board passed at their meeting held on February 04, 2021 which was subject to the approval of shareholders through special resolution. The shareholders of our Company have approved this issue vide a Special Resolution passed at an Extra Ordinary General Meeting held on February 05, 2021 at the Registered Office of our company.

We have received In-Principle Approval from National Stock Exchange of India Limited vide their letter dated March 05, 2021.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Directors, Promoters, Promoter Group, person in control of our Company, are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Prospectus.

Our Company is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”) to the extent applicable. Our Company and members of the Promoter Group are in compliance with the SBO Rules to the extent applicable to each of them as on the date of this Prospectus.

Neither our Promoters, nor any of our Directors or persons in control of our Company were or is 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 the SEBI or any other governmental authorities as on the date of this Prospectus.

None of our Directors are associated with the securities market in any manner and there is no outstanding action initiated against them by SEBI in the past 5 years.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors have been identified as wilful defaulter(s) by the RBI or any other governmental authority.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 229(1) and other provisions of chapter IX of the SEBI (ICDR) Regulations, 2018 as the post offer face value capital is less than ₹ 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

#### We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 49 of this Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 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 eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013 shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. We have filed Draft Red Herring Prospectus with stock exchange. The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Red Herring Prospectus has been furnished to the SEBI in a soft copy.

4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “*General Information*” beginning on page 49 of this Prospectus.
5. Our Company is incorporated under Companies Act, 1956.
6. The Company has track record of 3 years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the date of filing of this Prospectus.
7. Net-worth of the Company is positive as per the latest audited financial statements.
8. The Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. No petition for winding up is admitted by a court of competent jurisdiction against the company.
11. The Company has website [www.v-marc.com](http://www.v-marc.com)
12. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company (ies), group companies, companies promoted by the promoters/promoting companies of the Company.
13. There is no default of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company (ies), group companies, companies promoted by the promoters/promoting companies of the Company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations 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 RED HERRING 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS**

**MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 26 and 32 of the Companies Act, 2013.

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in the Red Herring 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, including our website, [www.v-marc.com](http://www.v-marc.com) would be doing so at his or her own risk.

BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters our Company.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and bidders at large and no selective or additional information would be available for any section of the bidders in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the BRLM or any other member of the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

#### **CAUTION**

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any bidders on whether such bidder is eligible to acquire Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties 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 and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issues handled by Pantomath Capital Advisors Private Limited, please refer “Annexure A” to this Prospectus and the website of Book Running Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com)

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and 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 ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs

and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring 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 the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra 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 the Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/926 dated March 05, 2021 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 NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

#### **LISTING**

An application has been made to the Emerge Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Offer Document vide its letter no. NSE/LIST/926 dated March 05, 2021.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working

days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

#### **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company & Sponsor Bank and (b) Book Running Lead Manager, Syndicate Member, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, to act in their respective capacities have been obtained and has been filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

#### **EXPERT TO THE ISSUE**

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

- Report of the Auditor on Statement of Tax Benefits
- Report of the Auditor on Restated Financial Statements for the period ended December 31, 2020 and financial year ended March 31, 2020, 2019 and 2018 of our company.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 59 of this Prospectus, we have not made any previous rights and/or public issues during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **COMMISSION AND 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 in the last 5 years.

#### **CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER COMPANY AND LISTED GROUP COMPANIES**

Neither our Company nor any of our Group Company have undertaken any capital issue or any public or rights issue in the last three years preceding the date of this Prospectus.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY AND/OR LISTED SUBSIDIARY COMPANY AND/OR LISTED PROMOTER COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further, none of our Subsidiaries or Promoter Companies are listed on any stock exchange, so, data regarding promise versus performance is not applicable.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**



The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, UPI Id (if applicable), number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 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.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on February 04, 2021. For further details, please refer to the chapter titled “*Our Management*” beginning on page 128 of this Prospectus.

Our Company has appointed Kanchan Gupta as Company Secretary and Compliance Officer and she may be contacted at the following address:

Kanchan Gupta  
**V-Marc India Limited**  
Plot No. 3, 4, 18, 20A, Sector IIDC,  
SIDCUL Haridwar,  
Uttarakhand-249403.  
**Tel:** +91 1334-239638  
**Email:** cs@v-marc.in  
**Website:** [www.v-marc.com](http://www.v-marc.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchange, the RoC and any other authorities while granting their approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) 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 Issue shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application since this IPO will not be under Phase I.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 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 dividend. The Allottees upon 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 in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 211 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 147 of this Prospectus.

### FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is ₹ 10 each and the Issue Price at the lower end of Price Band is ₹ 37/- per Equity Share and at the higher end of the Price Band is ₹ 39/- per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue has been decided by our Company in consultation with the BRLM and advertised in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard and the Regional newspaper Dainik Hawk, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading the same on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the website of the Stock Exchange.

At any given point of time there shall be only one denomination of Equity Shares.

## **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 issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations 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 Articles of Association*” beginning on page 211 of this Prospectus.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 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 Issue:

- Agreement dated February 24, 2021 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated February 24, 2021 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 3000 Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 3000 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 this issue will be done in multiples of 3000 Equity Share subject to a minimum allotment of 3000 Equity Shares to the successful applicants.

## **MINIMUM NUMBER OF ALLOTTEES**

In accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.**

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

#### **JOINT HOLDER**

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.

#### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh 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.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

#### **BID/ ISSUE OPENING DATE**

Bid / Issue Opening Date	Thursday, March 25, 2021
Bid / Issue Closing Date	Wednesday, March 31, 2021
Finalization of Basis of Allotment with the Designated Stock Exchange	Tuesday, April 06, 2021
Unblocking of funds from ASBA Accounts / Initiation of Refunds	On or before Wednesday, April 07, 2021
Credit of Equity Shares to demat accounts of Allottees	On or before Thursday, April 08, 2021
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Friday, April 09, 2021

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids were accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids were accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.**

**In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (issue) period disclosed in the red herring prospectus (in case of a book built issue) or the issue period disclosed in the prospectus (in case of a fixed price issue), for a minimum period of three working days, subject to the Bid/ Offer Period not exceeding 10 working days.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not

receive the 100% subscription of the issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

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

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above ₹ 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than ₹ 1,000 lakhs but below ₹ 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

#### **MARKET MAKING**

The shares issued through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME Exchange) 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 EMERGE Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 49 of this Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of 3000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on EMERGE Platform of National Stock Exchange of India Limited.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 59 of this 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 211 of this 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees but does not exceed twenty five crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 185 and 193 of this Prospectus.

### Following is the issue structure:

Initial Public Issue of upto 60,00,000 Equity Shares of face value of ₹ 10/- each fully paid (the 'Equity Shares') for cash at a price of ₹ 39/- (including a premium of ₹ 29/-) aggregating to ₹ 2,340.00 Lakhs. The Issue comprises a Net Issue to the public of up to 57,00,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 26.33 % and 25.02 % of the post-Issue paid-up Equity Share capital of our Company.

The Company has undertaken in consultation with the BRLM, a private placement of 8,40,000 Equity Shares for cash consideration aggregating Rs. 327.60 Lakhs ("Pre IPO Placement"). The no. of equity shares as disclosed in the Draft Red Herring Prospectus dated February 18, 2021 being 8,40,000 Equity Shares has been reduced accordingly

The issue comprises a reservation of 3,00,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Market Maker Reservation Portion	Non – Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares</b>	3,00,000 Equity Shares	Upto 28,50,000 Equity Shares	Upto 28,50,000 Equity Shares
<b>Percentage of issue Size available for allocation</b>	5.00 % of issue Size	50.00% of the net issue shall be available for allocation	50.00% of net issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Firm allotment	Proportionate	Proportionate subject to minimum allotment of 3000 equity shares and further allotment in multiples of 3000 equity shares each. For further details please refer to the section titled "Issue Procedure" beginning on page 193 of the Prospectus
<b>Mode of Bid cum Application</b>	Through ASBA Process only	Through ASBA Process only	Through ASBA Process only
<b>Minimum Bid Size</b>	3,00,000 Equity Shares of Face Value of ₹ 10.00 each	Such number of Equity shares in multiple of 3000 Equity shares such that Application size exceeds ₹ 2,00,000	3000 Equity Shares of Face Value of ₹ 10.00 each
<b>Maximum Bid Size</b>	3,00,000 Equity Shares of Face Value of Rs 10 each	Not exceeding the size of the Issue, subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of 3000 Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000



<b>Particulars</b>	<b>Market Maker Reservation Portion</b>	<b>Non – Institutional Bidders</b>	<b>Retail Individual Bidders</b>
<b>Mode of Allotment</b>	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
<b>Trading Lot</b>	3000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	3000 Equity Shares and in multiples thereof	3000 Equity Shares and in multiples thereof
<b>Terms of payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form, or in the UPI-linked bank account in the case of Retail Individual Bidders using the UPI Mechanism.		

- 1) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.*
- 2) *In terms of Rule 19(2)(b)(i) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

## ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the Circulars on Streamlining of Public Issues (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“UPI Circular”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”) with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-2019 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Issue was made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid / Issue Opening Date. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper Business Standard, all editions of the Hindi national daily newspaper, Business Standard and Haridwar edition of the regional newspaper, Dainik Hawk (Hindi being the regional language of Haridwar, where our Registered Office is located) on or prior to the Bid / Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their websites.

Our Company and the BRLM 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 Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 this Prospectus.

## BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue has been made for at least 25% of the post-Issue

paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process and the allocation to the public will be made as per Regulation 253 of the SEBI ICDR Regulations.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM 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 Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum 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 bid is liable to be rejected. Bidders 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 dematerialised segment of the Stock Exchange.

### **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus were available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue shall use only UPI payment mechanism for application.

The bid cum application form submitted by NIIs and QIBs must provide bidder's bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form. Further, Retail Individual Investors submitting bid cum application form using UPI shall mention the UPI of the his/her own Bank account in the bid cum application form in the relevant space and the Bid cum Application Forms that do not contain such details are liable to be rejected.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of Stock Exchange.

Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring 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 website of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or Sponsor Bank, as applicable, at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting 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 recognised 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”) (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”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails Individual investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as ‘Intermediaries’), shall enter their UPI ID in the Bid-Cum-Application Form. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

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.

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors other than Retail Individual Investors to intermediaries other than SCSBs	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by Retail Individual Investors to intermediaries other than SCSBs with use of UPI for payment	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of Stock Exchange. Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on Retail Individual Investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investor. Retail Individual Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange.

Stock Exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **WHO CAN BID?**

In addition to the category of Bidders, set forth in the GID, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organizations authorized in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing RBI regulations, OCBs cannot participate in this Issue.

#### **PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLM and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under

the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non- Residents (blue in colour). For details of restrictions on investment by NRIs, please refer to the chapter titled “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 230 of this Prospectus.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs may be considered at par with Bids from individuals;

#### **BIDS BY FPIs INCLUDING FIIS**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely ‘foreign institutional investors’ and ‘qualified foreign investors’ are subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by 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. 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.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

#### **BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration offered under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain

exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) 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.

#### **BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Bids 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 Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Systemically 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.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (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 fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under 1, 2 and 3 above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, Government of India, Systemically Important Non-Banking Financial Company or the National Investment Fund and provident funds with a minimum corpus



of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.**

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF RED HERRING PROSPECTUS/ PROSPECTUS WITH ROC**

- (a) Our Company have entered into an Underwriting agreement dated March 04, 2021.
- (b) A copy of the Red Herring Prospectus has been filed with the RoC and copy of Prospectus will be filed with ROC in terms of Section 32 of the Companies Act, 2013 and Section 26 of the Companies Act, 2013.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National daily Newspaper; (ii) Hindi National daily Newspaper; and (iii) Regional Newspaper, each with wide circulation at the place where the Registered Office of the Company is situated. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date and the floor price or price band along with the necessary details subject to Regulation 250 of the SEBI ICDR Regulations. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

Please note that NIIs are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Issue period and withdraw their Bid(s) until Bid/ Issue closing date.

In addition to the general instructions provided in the General Information Document, Bidders are requested to note the additional instructions provided below:-

##### **A. Do's and Don'ts**

###### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;

6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the category and the investor status is indicated;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
18. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
20. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
21. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;

22. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
23. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
24. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
25. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
26. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders**

### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

All communications may be addressed to such Bidders and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Bids**

A Bidder should submit only one Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, the sub-Syndicate, SCSB, Registered Broker, RTA and CDP and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Red Herring Prospectus.

### **GROUNDINGS OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price.
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-Off Price by NIIs.
- Bids for number of Equity Shares which are not in multiples of the Equity Shares as specified in the Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;

- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bids accompanied by stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case, no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchange; and
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form /Application Form. Bids not duly signed by the sole/First Bidder.
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;
- Submission of Bid cum Application Forms/Application Form using third party ASBA Bank Account;
- Submission of more than one Bid cum Application Form per UPI ID by RIIs bidding through Designated Intermediaries;
- In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and *vice-versa*.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated February 24, 2021 among NDSL, the Company and the Registrar to the Issue; and
- (b) Agreement dated February 24, 2021 among CDSL, the Company and the Registrar to the Issue.

The Company's shares bear ISIN no INE0GXX01018.

## **IMPERSONATION**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who—*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*Shall be liable for action under Section 447.”*

## **PROCEDURE AND TIME OF SCHEDULE FOR ALLOTMENT AND DEMAT CREDIT**

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- (a) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (b) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account which will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **BASIS OF ALLOTMENT**

### **A. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Net Issue size less Allotment to Non-Institutional Investors shall be available for Allotment to Retail Individual Bidders, who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 28,50,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 28,50,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter.

### **B. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Net Issue size less Allotment to Retail Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 28,50,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 28,50,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter.

#### **UNDERTAKINGS BY THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter's contribution in full has already been brought in;
6. That except Pre-IPO Placement, no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.



## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The 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 from time to time and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI issues Master Directions on Foreign Investment in India and updates 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.

Under the current applicable FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is involved in the business of manufacturing. 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates.

At Present, the FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 has been superseded by FEMA (Non -Debt Instruments) Rules, 2019 dated October 17, 2019 (FEMA Non-Debt Rules). The sectoral cap given in the FEMA Non-Debt Rules shall come into effect from April 01, 2020.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. An erstwhile OCB may transfer equity instruments subject to the directions issued by the Reserve Bank of India from time to time in this regard. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines.

### **Investment conditions/restrictions for overseas entities**

The maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, Foreign Portfolio Investors (FPIs), Non-Resident Indian (NRI)/ Overseas Citizen of India (OCI), Limited Liability Partnerships (LLPs), Foreign Venture Capital Investor (FVCI), Investment Vehicles and Depository Receipts (DRs) under Schedule I, II, III, VI, VII, VIII and IX of the FEMA Non Debt Rules. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the sectoral cap.

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

Aggregate FPI upto 49% of the paid up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in the transfer of ownership or control to persons resident outside India and other investments by a person resident outside India shall be subject to the conditions of Government approval and compliance of sectoral conditions as laid down in the FEMA Non Debt Rules.

Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy 2020 till the time the new sectoral cap as mentioned in the FEMA Non-Debt Rules comes into effect. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

With regards to purchase/sale of equity instruments of an Indian company by an FPI under PIS, the total holding by each FPI or an investor group shall be less than 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 % and 24 % will be called the individual and aggregate limit, respectively.

With effect from the April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the FEMA Non Debt Rules, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants.

The aggregate limit as provided in sub-paragraph (b) of paragraph 3 of Schedule I may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. Further, the Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively. Also, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24 %.

**ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity instruments as defined under the FEMA Non Debt Rules of a listed Indian company on repatriation basis on a recognised stock exchange in India by NRI or OCI is allowed subject to certain conditions under Schedule III of the FEMA Non Debt Rules that is:

The total holding by any individual NRI or OCI shall not exceed 5 % of the total paid-up equity capital on a fully diluted basis or should not exceed 5 % of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 % of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the general body of the Indian company.

**iii. Investment by NRI or OCI on non-repatriation basis**

The Schedule IV of the FEMA Non-Debt Rules deals with Purchase/ sale of equity Instruments or convertible notes or units or contribution to the capital of a LLP by a NRI or OCI on non-repatriation basis. It shall be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions by RBI.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in the Red Herring Prospectus.**

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### *Interpretation*

**I.** (1) In these regulations—

- (a) “The Act” means the Companies Act, 2013,
- (b) “The seal” means the common seal of the company.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### *Share Capital and Variation of Rights*

**II. 1.** Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

**2.** (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

**3.** (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

**4.** Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**5.** (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### *Lien*

9. (i) The company shall have a first and paramount lien—

(a) On every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) Unless a sum in respect of which the lien exists is presently payable; or

(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### *Calls on Shares*

**13. (i)** The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

**14.** A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

**15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**16. (i)** If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**17. (i)** Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**18.** The Board—

(a) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### *Transfer of Shares*

**19. (i)** The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**20.** The Board may, subject to the right of appeal conferred by section 58 declines to register—

(a) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) Any transfer of shares on which the company has a lien.

**21.** The Board may decline to recognize any instrument of transfer unless—

(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) The instrument of transfer is in respect of only one class of shares.

**22.** On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### *Transmission of Shares*

**23.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**24.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) To be registered himself as holder of the share; or

(b) To make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**25.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**26.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### *Forfeiture of shares*

**27.** If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

**28.** The notice aforesaid shall—

(a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**29.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**30. (i)** A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**31. (i)** A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

**32. (i)** A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**33.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### *Alteration of capital*

**34.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

**35.** Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**36.** Where shares are converted into stock,—



(a) The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

**37.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law—

- (a) Its share capital;
- (b) Any capital redemption reserve account; or
- (c) Any share premium account.

#### *Capitalization of profits*

**38.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) That it is desirable to capitalize any part of the amount for the time being Standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) That such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**39.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### ***Buy-back of Shares***

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### ***General Meetings***

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### ***Proceedings at General Meetings***

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### ***Adjournment of Meeting***

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### ***Voting Rights***

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**49.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**50. (i)** In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**51.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**52.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**53.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**54. (i)** No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### ***Proxy***

**55.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**56.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**57.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### ***Board of Directors***

**58.** The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

First Directors of the Company are

- (i) Mr. Vikas Garg
- (ii) Mrs. Meenakshi Garg

**59.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

**60.** The Board may pay all expenses incurred in getting up and registering the company.

**61.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

**62.** All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**63.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

**64.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### ***Proceedings of the Board***

**65.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

**66.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**67.** The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

**68.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

**69.** (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**70.** (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**71.** (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

**72.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**73.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**74.** In case of a One Person Company—

(i) Where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;

(ii) Such minutes book shall be signed and dated by the director;

(iii) The resolution shall become effective from the date of signing such minutes by the director.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

**75.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**76.** A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***The Seal***

**77.** (i) The Board shall provide for the safe custody of the seal.

(ii) The seal shall not be affixed to any instrument except by the authority of resolution of the Board of Directors or a committee of the Board authorized by it in that behalf and except in the presence of at least two directors and of the Secretary or such other person as the Board may appoint for the purpose; and those two directors and Secretary or other person aforesaid shall sign instrument to which the seal of the Company is so affixed in his presence.

The share certificate will, however, be signed and sealed in accordance with the applicable provisions of the Act, rules, regulations, if any.

### *Dividends and Reserve*

**78.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**79.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

**80.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**81.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**82.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**83.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**84.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**85.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**86.** No dividend shall bear interest against the company.

### *Accounts*

**87.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

### ***Winding up***

**88.** Subject to the provisions of Chapter XX of the Act and rules made there under—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### ***Indemnity***

**89.** 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 favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this 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 were attached to the copy of the Red Herring Prospectus were delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. 3, 4, 18, 20A, Sector IIDC, SIDCUL Haridwar, Uttarakhand-249403 from date of filing the Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts

1. Issue Agreement dated February 04, 2021 between our Company and the BRLM;
2. Registrar Agreement dated February 04, 2021 between our Company and Bigshare Services Private Limited, Registrar to the Issue;
3. Underwriting Agreement dated March 04, 2021 between our Company and Underwriter viz. BRLM;
4. Market Making Agreement dated March 04, 2021 between our Company, Market Maker and the BRLM;
5. Bankers to the Issue Agreement dated March 12, 2021 amongst our Company, the BRLM, Banker(s) to the Issue, Sponsor Bank and the Registrar to the Issue;
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 24, 2021;
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 24, 2021;
8. Syndicate Agreement dated March 04, 2021 between our Company, the BRLM and Syndicate Member.

#### Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time;
2. Copy of resolution of the Board of Directors dated February 04, 2021 in relation to the Issue and other related matters;
3. Copy of Shareholders' resolution dated February 05, 2021 in relation to the Issue and other related matters;
4. Copy of Board Resolution dated February 04, 2021 setting out terms and conditions for appointment of Vikas Garg as Managing Director;
5. Annual Reports of the Company for the financial years ended March 31, 2020, 2019 and 2018;
6. Statement of Special Tax Benefits dated February 04, 2021 issued by M/s. Rajeev Singal & Co., Chartered Accountants.
7. Report of M/s. Rajeev Singal & Co., Chartered Accountants, dated February 06, 2021 on the Restated Financial Statements for the period ended December 31, 2020 and financial years ended as on March 31, 2020, 2019 and 2018 of our Company.
8. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company, Legal Advisor to the issue, the Book Running Lead Manager, Registrar to the issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker, Sponsor Bank to act in their respective capacities.
9. Copy of In-Principle approval from National Stock Exchange of India Limited *vide* letter dated March 05, 2021, to use the name of National Stock Exchange of India in this issue document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

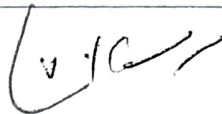
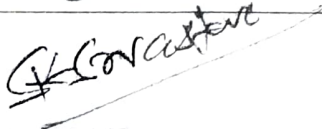
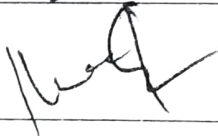
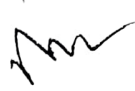
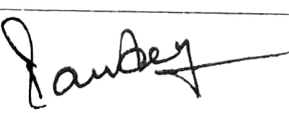
None of the contracts or documents mentioned in this Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 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 the disclosures and statements made in this Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
Vikas Garg Chairman & Managing Director DIN – 05268238	
Sandeep Kumar Srivastava Whole Time Director DIN – 08685957	
Meenakshi Garg Non-Executive Director DIN – 05268233	
Mukesh Bansal Independent Director (Additional) DIN – 02852531	
Raj Kumar Pandey Independent Director (Additional) DIN – 08639710	

Signed by Chief Financial Officer of the Company.



Ranjan Kumar Sawarna  
Chief Financial Officer

Place: Haridwar

Date: 6th April, 2021

## Annexure A

### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr · N o	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Openin g 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.	Shubhlaxmi Jewel Art Limited	6.51	26.00	December 04, 2018	27.10	33.85% (-0.71%)	111.54% (-0.06%)	360.38% (9.69%)
2.	Deccan Health Care Limited	42.12	100.00	December 31, 2018	108.00	28.40% (-1.32%)	7.05% (7.22%)	-10.55% (9.22%)
3.	Surani Steel Tubes Limited	12.92	52.00	February 06, 2019	53.10	-4.81% (-0.04%)	-7.69% (4.84%)	-19.33% (-0.59%)
4.	Ritco Logistics Limited	48.18	73.00	February 07, 2019	77.40	-5.00% (-0.81%)	-3.49% (3.53%)	-8.70% (-0.73%)
5.	Artedz Fabs Limited	8.32	36.00	March 29, 2019	40.00	5.56% (1.12%)	-9.44% (1.92%)	-34.17% (-0.31%)
6.	Par Drugs and Chemicals Limited	8.53	51.00	May 16, 2019	52.90	-6.47% (5.03%)	-7.84% (-2.94%)	-11.96% (5.83%)
7.	Suich Industries Limited	30.86	75.00	June 13, 2019	68.50	-42.00% (-2.53%)	-61.93% (-6.53%)	-80.67% (1.88%)
8.	Gensol Engineering Limited	17.93	83.00	October 15, 2019	85.40	0.06% (4.18%)	0.06% (8.03%)	2.41% (-22.37%)
9.	Mangalam Global Enterprises Limited	21.57	51.00	November 27, 2019	53.00	1.96% (0.21%)	5.10% (-2.24%)	Not Available*
10.	Madhav Copper Limited (FPO)	25.50	102.00	February 06, 2020	102.00	-23.04 (-9.46)	Not Available*	Not Available*

*\*Since, Mangalam Global Enterprises Limited and Madhav Copper Limited are migrated from SME platform to Main board platform, historical price of such scripts are not available.*

Note:

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.
2. Prices on BSE/NSE are considered for all of the above calculations.
3. In case the 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
18-19	*25#	477.04	-	-	6	2	4	12	1	2	10	3	2	7
19-20	**4\$	78.89	-	1	1	-	-	2	1	-	1	-	-	1
20-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\*The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Sofitech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited, Ushanti Colour Chem Limited, Manorama Industries Limited, Innovative Ideals and Services (India) Limited, Vinny Overseas Limited, Shubhlaxmi Jewel Art Limited, Deccan Health Care Limited, Surani Steel Tubes Limited, Ritco Logistics Limited and Artedz Fabs Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018, June 22, 2018, July 11, 2018, August 02, 2018, October 04, 2018, October 05, 2018, October 11, 2018, December 04, 2018, December 31, 2018, February 06, 2019 February 07, 2019 and March 29, 2019 respectively.

\*\*The script of Par Drugs and Chemicals Limited, Suich Industries Limited, Gensol Engineering Limited and Mangalam Global Enterprises Limited were listed on May 16, 2019, June 13, 2019, October 15, 2019 and November 27, 2019 respectively.

\$ The share price of Mangalam Global Enterprises Limited is not available as of 180<sup>th</sup> day as the same has been migrated from sme platform to main board platform.

# As on 30<sup>th</sup> trading day the closing price of the script Ganga Forging Limited was at par with the issue price. Hence it is not considered for counting the numbers of IPOs trading at discount and premium.

**Note:** Madhav Copper Limited is Further Public Offering lead managed by Pantomath Capital Advisors Private Limited in the Financial Year 2019-2020 and the same has not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.