



## ARROWHEAD SEPERATION ENGINEERING LIMITED

Corporate Identity Number is U74210MH1991PLC062643

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON
Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik 422403		W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710		Radhika Bhootra <i>Company Secretary and Compliance Officer.</i>
EMAIL		TELEPHONE		WEBSITE
<a href="mailto:info@arrowhead-dryers.co.in">info@arrowhead-dryers.co.in</a>		+ 91 84228 29060		<a href="http://www.arrowhead-dryers.com">www.arrowhead-dryers.com</a>
THE PROMOTERS OF OUR COMPANY				
<b>AJIT MUNDLE AND JYOTI MUNDLE</b>				
DETAILS OF ISSUE				
TYPE	FRESH ISSUE SIZE (IN LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG NII & RII
Fresh Issue	Fresh Issue of 5,58,000 Equity Shares aggregating to ₹ 1,300.14 Lakhs	NIL	Total Issue of 5,58,000 Equity Shares aggregating to ₹ 1,300.14 Lakhs	The Issue is being made pursuant to Regulation 229(1) of SEBI ICDR Regulations. As the Company's post issue face value capital does not exceed ₹10.00 Crores
RISK IN RELATION TO THE FIRST ISSUE				
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price is 23.3 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis of Issue Price" beginning on page no. 69 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in 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 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 contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 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 Issued through this Prospectus is proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an in-principle approval letter dated August 21, 2023 from BSE for using its name in this Offer document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be BSE Limited ("BSE").				
LEAD MANAGER TO THE ISSUE			REGISTRAR TO THE ISSUE	
 <b>ARYAMAN FINANCIAL SERVICES LIMITED</b> 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001. <b>Tel:</b> +91 – 22 – 6216 6999 <b>Email:</b> <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a> <b>Website:</b> <a href="http://www.afsl.co.in">www.afsl.co.in</a> <b>Investor Grievance Email:</b> <a href="mailto:feedback@afsl.co.in">feedback@afsl.co.in</a> <b>Contact Person:</b> Vatsal Ganatra <b>SEBI Registration No.:</b> INM000011344			 <b>CAMEO CORPORATE SERVICES LIMITED</b> Subramanian Building, No. 1, Club House Road, Chennai – 600 002. <b>Tel.:</b> +91 – 44 – 40020700 (5 Lines) <b>E-mail:</b> <a href="mailto:priya@cameoindia.com">priya@cameoindia.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@cameodina.com">investor@cameodina.com</a> <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>Contact Person:</b> K. Sreepriya <b>SEBI Registration. No.:</b> INR 000003753	
ISSUE OPENS ON			ISSUE CLOSES ON	
November 16, 2023			November 20, 2023	



**ARROWHEAD SEPERATION ENGINEERING LIMITED**

Our Company was incorporated as Arrowhead Seperation Engineering Private Limited on July 25, 1991 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 062643. The status of the Company was changed to public limited and the name of our Company was changed to Arrowhead Seperation Engineering Limited vide Special Resolution dated March 01, 2023. The fresh certificate of incorporation consequent to conversion was issued on April 18, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74210MH1991PLC062643. For further details, please refer to the chapter “History and Certain Corporate Matters” beginning on page no. 107 of this Prospectus.

**Registered Office:** Survey No 39 Village Mundhegaon Tal Igatpuri Nashik-422403  
**Corporate Office:** W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710  
**Tel No.:** + 91 84228 29060 **Email:** [info@arrowhead-dryers.co.in](mailto:info@arrowhead-dryers.co.in) **Website:** [www.arrowhead-dryers.com](http://www.arrowhead-dryers.com)  
**Contact Person:** Radhika Bhootra, Company Secretary and Compliance Officer.  
**Our Promoters:** Ajit Mundle and Jyoti Mundle

**THE ISSUE**

**INITIAL PUBLIC OFFER OF 5,58,000 EQUITY SHARES OF ₹ 10 EACH (“EQUITY SHARES”) OF ARROWHEAD SEPERATION ENGINEERING LIMITED (“ASEL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ 233 PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ 1,300.14 LAKHS (“THE ISSUE”), OF WHICH 30,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY AGGREGATING MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THAN THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 5,28,000 EQUITY SHARES OF ₹10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.82% AND 28.22% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 23.3 TIMES OF THE FACE VALUE**

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled “Issue Information” beginning on page no.181 of this Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 190 of this Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price is 23.3 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis of Issue Price” beginning on page no. 69 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in 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 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 contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 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 Issued through this Prospectus is proposed to be listed on the SME Platform of BSE Limited (“BSE”). Our Company has received an in-principle approval letter dated August 21, 2023 from BSE for using its name in this Offer document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be BSE Limited (“BSE”).

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg  
Fort, Mumbai – 400 001  
**Tel No.:** +91 22 6216 6999  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Vatsal Ganatra  
**SEBI Registration No.** INM000011344

**CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building, No. 1, Club House Road, Chennai – 600 002.  
**Tel.:** +91 – 44 – 40020700 (5 Lines)  
**E-mail:** [priya@cameoindia.com](mailto:priya@cameoindia.com)  
**Investor Grievance Email:** [investor@cameodina.com](mailto:investor@cameodina.com)  
**Website:** [www.cameoindia.com](http://www.cameoindia.com)  
**Contact Person:** K. Sreepriya  
**SEBI Registration. No.:** INR 000003753

**ISSUE OPENS ON**

**November 16, 2023**

**ISSUE CLOSES ON**

**November 20, 2023**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

#### General Terms

Term	Description
Arrowhead Separation Engineering Limited / ASEL/ The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Arrowhead Separation Engineering Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Nashik.
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your”, or “yours”	Prospective Investor in this issue

#### Company Related Terms

Term	Description
ASEL	Arrowhead Separation Engineering Limited
AoA/ Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Arrowhead Separation Engineering Limited.
Auditors of the Company	B B Gusani & Associates., Chartered Accountants having its office at 215-B, Manek Centre P. N. Marg, Jamnagar - 361008
Audit Committee	The committee of the Board of Directors constituted on June 5, 2023 in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page no. 110 of this Prospectus.
Board of Directors / Board	The Board of Directors of Arrowhead Separation Engineering Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Sitaram Sakharam Kavar
CIN/ Corporate Identification Number	U74210MH1991PTC062643
Company Secretary and Compliance Officer	Radhika Bhootra
Corporate Office	W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710.
Director(s)/ Our Directors	Director(s) of Arrowhead Separation Engineering Limited, unless otherwise specified.
Executive Directors	Executive Directors are the Managing Director & Whole Time Director of our Company.
Equity Shares	Equity Shares of our Company of Face Value of ₹10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term — <i>Group Companies</i> includes companies (other than our Promoters) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance



ARROWHEAD

Term	Description
	with the Materiality Policy, as described in — <i>Our Group Companies</i> on page no. 127 of this Prospectus.
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled “ <i>Our Management</i> ” beginning on no. 110 of this Prospectus
ISIN	International Securities Identification Number. In this case being INE0PP401015
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” on page no. 110 of this Prospectus.
Materiality Policy	The policy adopted by our Board for identification of Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MD or Managing Director	The Managing Director of our Company being Ajit Mundle
MOA / Memorandum / Memorandum of Association	The Memorandum Of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination And Remuneration Committee of our Company, constituted on June 5, 2023 in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page no. 110 of this Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being B B Gusani & Associates., Chartered Accountants
Promoter(s) / Core Promoter	<ul style="list-style-type: none"> <li>• Ajit Mundle</li> <li>• Jyoti Mundle</li> </ul>
Promoters Group	Such persons, entities and companies constituting our promoters group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoters and Promoters Group</i> ” on page no. 123 of this Prospectus
Registered Office	The Registered Office of our Company which is Survey No 39 Village Mundhegaon Tal Igatpuri Nashik-422403.
Registrar of Companies / RoC	Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai – 400002
Restated Financial Statements	The Restated Financial Statements of our Company for the period ended June 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022, March 31, 2021, which comprises of the Restated Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.
Stakeholders’ Relationship Committee	The stakeholder’s relationship committee of our Company, constituted on dated June 5, 2023 in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page no. 110 on this Prospectus.
Shareholders	Shareholders of our Company
Stock Exchange/ BSE SME	SME Platform of BSE Limited.
Wilful Defaulter(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

#### Issue Related Term

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.



<b>Term</b>	<b>Description</b>
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants.
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotees	The successful applicant(s) to whom the Equity Shares are being / have been allotted.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Applicants, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of a RIIs which is blocked upon acceptance of a UPI Mandate Request made by the RIIs using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
ASBA Form/ Application Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no 43 of this Prospectus.
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to the Issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited.
Banker(s) to the Issue Agreement	The agreement dated July 24, 2023 entered into amongst our Company, the Registrar to the Issue, the LM, and Banker(s) to the Issue in accordance with the UPI Circulars, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Applicants, on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no 190 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and the UPI Circulars issued by SEBI as per the list available on the websites of Stock Exchange.



Term	Description
Collecting Registrar and Share Transfer Agents / CRTAs	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 and the UPI Circulars issued by SEBI
Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker	Aryaman Capital Markets Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.



Term	Description
Designated Stock Exchange	BSE Limited (SME Exchange of BSE Limited i.e. BSE SME).
Draft Prospectus	This Draft Prospectus dated June 27, 2023 issued in accordance SEBI ICDR Regulation.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Application Amount when submitting an Applicant.
First or Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applicants, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
Fresh Issue	Fresh Issue of 5,58,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ 233 per Equity Shares aggregating ₹ 1,300.14 lakhs by our Company
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 63 of this Prospectus
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange and the LM.
Issue	The Initial Public Offer of 5,58,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 233 each (including securities premium of ₹ 223 per Equity Share) aggregating to ₹ 1,300.14 lakhs.
Issue Agreement	The agreement dated June 20, 2023 entered amongst our Company, the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing date	The date on which the Issue closes for subscription being November 20, 2023
Issue Opening date	The date on which the Issue opens for subscription being November 16, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications, including any revisions thereof
Issue Price	The Price at which the Equity Shares are being Issued by our Company in consultation with the Lead Manager under this Prospectus being ₹ 233 per equity share
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page no. 63 of this Prospectus
Issue Size	The Public Issue 5,58,000 of Equity shares of ₹ 10 each at price of ₹ 233 per Equity share, aggregating to ₹ 1,300.14 lakhs by our Company.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is 600 and in multiples of 600 thereafter; subject to a minimum allotment of 600 Equity Shares to the successful applicants.
Market Maker	In our case being Aryaman Capital Markets Limited
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated June 23, 2023
Market Maker Reservation Portion	The Reserved portion of 30,000 Equity shares of ₹ 10 each at an Issue Price of ₹ 233 per share aggregating to ₹ 1,300.14 lakhs for Designated Market Maker in the Public Issue of our Company.



Term	Description
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters' of 20% and locked-in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Net Issue of 5,28,000 Equity Shares of ₹ 10 each at price of ₹ 233 per Equity Shares aggregating to ₹ 1,230.24 lakhs by our Company.
Net Proceeds	Proceeds of the Issue that will be available to our Company i.e. gross proceeds of the Fresh Issue, less Issue expenses to the extent applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see "Objects of the Issue" beginning on page no. 63 of this Prospectus.
Non Institutional Applicant/ NIIs	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs).
Non Resident or NRI	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and Closing date and other information.
Public Issue Account	A bank account opened with Bankers to the Issue under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Public Issue Account is opened, in this case being Axis Bank Limited
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made.
Refund Bank(s)	The bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account is opened, in this case being Axis Bank Limited.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The agreement dated June 20, 2023 among our Company, the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar / Registrar to the Issue	Registrar to the Issue being Cameo Corporate Services Limited.



Term	Description
Retail Individual Investors / RII(s)	Individual Applicants, who have Application for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the applying options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, which offer services, (i) in relation to ASBA, where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.  Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website.
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sponsor Bank	Axis Bank Limited, being the Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	The underwriters in this case are Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among our Company and the Underwriters dated June 23, 2023
“Unified Payments Interface” or “UPI”	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).



Term	Description
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars.

#### Technical / Industry related Terms

Term	Description
GVA	Gross Value Added
IIP	Index of Industrial Production
MSME	Micro, Small and Medium Enterprises
FDI	Foreign Direct Investment
PLI	Production Linked Incentive
HFI	High-Frequency Indicators
GDP	Gross domestic product
CAD	Current account deficit
PE-VC	Private Equity-Venture Capital
CPI	Consumer Price Index
MoSPI	Ministry of Statistics & Programme Implementation
FPI	Foreign Portfolio Investment
MMF	Man-Made Fibre
CAGR	Compounded Annual Growth Rate
APAC	Asia Pacific
ASEAN	Association of South East Asian Countries
MEA	Middle East and Africa
ZLD	Zero Liquid Discharge
CPCB	Central Pollution Control Board
GW	Gigawatts

#### Conventional Terms / General Terms / Abbreviations

Term	Description
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
AS/Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
AOA	Article of Association
Amt	Amount



Term	Description
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
BSE SME	SME Platform of BSE Limited
Banking Regulation Act	Banking Regulation Act, 1949
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compound Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations.
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
CST	Central Sales Tax
CY	Calendar Year
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry



Term	Description
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EGM/ EoGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
EMDEs	Emerging Markets and Developing Economies
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
Fis	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods & Services Tax
GVA	Gross Value Added
HNIIs	High Networth Individuals
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IGST	Integrated Goods and Services Tax Act, 2017
ICSI	Institute of Company Secretaries of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
IFRS	International Financial Reporting Standards
i.e	That is
IAS Rules	Indian Accounting Standards, Rules 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number. In this case being INE0KKN01011.
ISO	International Organization for Standardization



Term	Description
IST	Indian Standard Time
KMP	Key Managerial Personnel
KM / Km / km	Kilo Meter
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
MRP	Maximum Retail Price
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time



<b>Term</b>	<b>Description</b>
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
SGST	State Goods and Services Tax Act, 2017
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UGST	Union Territory Goods and Services Tax Act, 2017
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/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
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
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations
YoY	Year over Year

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.



## CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

### Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “lakhs” units. One represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our Restated Financial Statements. Certain additional financial information pertaining to our Group Companies is derived from its financial statements. The Restated Financial Statements included in this Prospectus are for the for the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023 and for the period ended June 30, 2023 and have been prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. For further information, see please refer “*Financial Information*” beginning on page no 129 of this Prospectus.

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

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this 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.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page nos. 21, 90 and 152 respectively, of this Prospectus, and elsewhere in this Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

### Currency and Units of Presentation

All references to “Rupees”, “Rs.” Or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

### Definitions

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on page no.1 of this Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 209 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be



reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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 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 STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Increased competition in Engineering Industry.
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our Intellectual Property Rights
- Changes in consumer demand
- Inability to identify or effectively respond to customer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Volatility of loan interest rates and inflation;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoters group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The occurrence of natural disasters or calamities; and

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 21, 90 and 152 of this Prospectus, respectively.



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



## SECTION II – SUMMARY OF OFFER DOCUMENT

### A. Summary of Business

Our company is in dryer manufacturing business for more than two decades and our team with its experience has been instrumental in driving growth and business strategies of our Company. We are primarily engaged in design and manufacture of various chemical process equipment's with specialization in continuous drying and cooling system equipment.

For more details, please refer chapter titled “*Our Business*” on page 90 of this Prospectus

### B. Summary of Industry

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations.

For more details, please refer chapter titled “*Industry Overview*” on page 77 of this Prospectus

### C. Our Promoter

Our Company is promoted by Ajit Mundle and Jyoti Mundle.

### D. Size of Issue

Issue	5,58,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 233 per share, aggregating to ₹ 1,300.14 lakhs
<i>of Which:</i>	
Market Maker Reservation	30,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 233 per share, aggregating to ₹ 69.90 lakhs
Net Issue	5,28,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 233 per share, aggregating to ₹ 1,230.24 lakhs

### E. Object of the Issue

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

(₹ in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2023-24
1	Repayment of Loan from NBFC's	200.00	200.00
2	Funding Working capital requirements	650.00	650.00
3	General Corporate Purpose	320.14	320.14
<b>Total</b>		<b>1,170.14</b>	<b>1,170.14</b>

### F. Pre-Issue Shareholding of our Promoters, Promoters Group as a percentage of the paid-up share capital of the Company

Set forth is the Pre Issue shareholding of our Promoters, Promoters Group as a percentage of the paid-up share capital of the Company

Category of Promoters	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>1. Promoters</b>				
Ajit Mundle	1,88,175	14.33%	1,88,175	10.06%
Jyoti Mundle	2,19,863	16.74%	2,19,863	11.75%
<b>2. Promoter Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)</b>				



Category of Promoters	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
Anjani Mundle	2,32,375	17.69%	2,32,375	12.42%
Kunal Mundle	16,250	1.24%	16,250	0.87%
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>6,56,663</b>	<b>50%</b>	<b>6,56,663</b>	<b>35.09%</b>
<b>Total Paid up Capital</b>	<b>1,31,33,250</b>	<b>100.00%</b>	<b>2,12,50,000</b>	<b>100.00%</b>

#### G. Summary of Restated Financial Statement

(₹ in lakhs)

Particulars	For the period ended June 30, 2023	For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
Share Capital	131.33	131.33	80.82	80.82
Net Worth	310.41	246.07	77.26	68.09
Total Income	881.71	2,171.57	1,091.73	916.63
Profit after Tax	64.34	169.18	9.17	(179.19)
Basic & Diluted EPS	4.90	12.88	0.70	(13.64)
Net Asset Value Per Share (₹)-based on actual no. of equity shares at the end of the year	23.64	18.74	9.56	8.42
Total Borrowings	896.02	812.67	699.45	600.59

#### H. There are no Auditor's Qualifications in any of the Financial Statements of the Company.

#### I. Summary of Outstanding Litigation are as follows

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (₹ in lakhs) to the extent quantifiable
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
<b>Directors</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoters</b>						
By Promoters	-	-	-	-	-	-
Against Promoters	-	-	-	-	-	-
*For further details of the outstanding litigation proceedings, see "Outstanding Litigations and Material Developments" beginning on page 163 this Prospectus.						

#### J. Risk Factors

Investors should read chapter titled "Risk Factors" beginning on page no. 21 of this Prospectus to get a more informed view before making any investment decisions.



### K. Summary of contingent liabilities

We have recognized certain items as contingent liabilities. The details of the same are as below:

(₹ in lakhs)

Particulars	Amount
Demand Notice (TDS)	10.94
Demand Notice (GST)	9.08
Demand Notice (Provident Fund)	32.10
<b>Total</b>	<b>52.11</b>

For further information, please see “Financial Information” beginning on page no. 129 of this Prospectus

### L. Summary of Related Party Transactions

Our Company has entered into certain transactions with our related parties including our Promoters, Promoters Group, Directors and their relatives as mentioned below:

(₹ in lakhs)

Particulars	For the period ended June 30, 2023	For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>Directors</b>				
Remuneration	5.08	20.33	20.33	14.01
<b>Promoter Group Entity</b>				
Processing Charges and Fees paid	24.51	123.32	75.09	55.50
Rent paid	6.00	24.00	24.00	24.00
Sales	-	20.50	75.30	-
Purchases	-	-	78.75	-
<b>Balances at the end</b>				
Due to Directors	22.10	19.74	15.23	11.73
Due to Promoter Group Entity	72.80	74.55	54.04	59.80

M. There are no financing arrangements whereby the Promoters Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Prospectus.

N. The weighted average price of acquisition of Equity Shares by our Promoters in last one year preceding the date of this Prospectus is below:

Name of Promoters	Weighted average price of Acquisition (₹)
Ajit Mundle	Nil
Jyoti Mundle	Nil

O. The average cost of acquisition of Equity Shares by our Promoters is:

Name of Promoters	Average price of Acquisition (₹)
Ajit Mundle	6.15
Jyoti Mundle	6.15

P. Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.



- Q.** We have not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Prospectus. For further details, refer chapter titled “*Capital Structure*” beginning from page 52 of this Prospectus.
- R.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus. For Further details, refer chapter titled “*Capital Structure*” beginning from page 52 of this Prospectus.
- S.** Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI



### SECTION III- RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. 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. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*To obtain a better understanding of our business, you should read this section in conjunction with other chapters of this Prospectus, including the chapters titled “Our Business”, Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Financial Information” on page no’s 152, 77 and 129 Respectively of this Prospectus, together with all other financial information contained in this Prospectus. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.*

*In this section, unless the context otherwise requires, a reference to the “Company”, “we”, “us” or “our” is a reference to Arrowhead Separation Engineering Limited. Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the for the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023 and for the period ended June 30, 2023 as included in “Financial Information” on page no. 129 of this Prospectus.*

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

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

#### **INTERNAL RISK FACTORS**

- 1. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

Our Company requires certain statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition.

Further, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Our Company requires the following statutory and regulatory registrations, licenses,



permits and approvals for our business but the same have not been obtained/not renewed by us, as on date of this Prospectus.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of the relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on our business. If we fail to comply with all the regulations applicable to us or if the regulations governing our business or their manner of implementation change, we may incur increased costs, or be subject to penalties or may suffer a disruption in our business activities, any of which, could adversely affect our business or results of operations. For further details, please see “*Key Industry Regulations and Policies*” and “*Government and Other Statutory Approvals*” beginning on page nos. 101 and 167 respectively of this Prospectus.

2. ***Our company has a concentrated customer base, making us significantly dependent on few customers for our revenue in a particular financial year. The loss of any one or more of such customer may have a material effect on our business operations and profitability.***

The percentage of income derived from our top ten customers for Financial Year 2021-22 & 2022-23 is given below:

(₹ in lakhs)

Sr. No	Particulars	F.Y 2021-22		F.Y 2022-23	
		Revenue	Percentage (%)	Revenue	Percentage (%)
1	Income from Top 10 Customer	893.11	82.15%	2,061.92	95.89%

Since we are involved in manufacturing of customised products, our customer base changes year to year as we would be executing different orders for different years. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as changes in government policies and bankruptcy, change of management, mergers and acquisitions in other cases could impact our business. It may be difficult to find such large contracts from any other customers that continue to rely on us for their requirements. If any of our major clients replaces us, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

3. ***We have experienced net losses in Fiscal 2021 and we anticipate increased expenses in the future. Any loss in future periods could adversely affect our operations, financial conditions, and the trading price of our Equity Shares.***

We have reported a net loss of ₹ 179.19 lakhs in Fiscal 2021 as per our restated financials. For further information, see “*Restated Financial Information*” on page 129. This fiscal was partly affected due to Covid wave and also due to on-going process driven issues w.r.t our earlier foreign partners. For details, please refer to “*History and Certain Corporate Matters*” beginning on page 107 of this Prospectus. After Covid related issues fully settled we began concentrating on trying to re-build our business and also we were ended our partnership with foreign partners and they do not hold any shares in our company nor have any influence over our processes. Hence, our company was able to post profitable results in FY 2022 and FY 2023. However, as we embark on the journey to further grow our business, we expect our operating expenses to increase in the future. If our revenue does not grow at a greater rate than our expenses, we may not be able to maintain profitability.. We may incur losses in the future for various reasons, many of which may be beyond our control. If we are unable to successfully address these risks and challenges as we encounter them, our business, cash flows, financial condition and results of operations could be adversely affected along with an impact on the trading price of our Equity Shares.

4. ***Equipments manufactured by us have a long gestation manufacturing period and many times our revenues are dependent on its timely delivery. We hence run the risk of larger inventory holding periods and client rejections affecting our cash flows.***

Our company primarily deals in capital goods like manufacturing of such as Dryer, ZLD and Flakes systems. This equipment is manufactured on a customized basis as a solution to meet the problem of customer who is processing a different product. The process starts with understanding the issue faced by consumer and arriving at suitable solution,



then procurement of raw materials, bought out items and assembling process is done and ending with delivery of product. The time period involved in this process is usually takes 3 to 4 months and it may delay further depending on client level changes or specifications and testing issues. Significant amount of our funds is sometimes utilized in holding these long gestation inventories and the same affects our cash flows. Further, we run a risk of order being cancelled at any time during the process due to which we may entail additional costs to use the product for customizing it back for another client in future.. We cannot assure you that our orders will be completed on time with quality conditions and no order will be cancelled during or after making product ready. We may incur significant losses at such event and may incur losses as such in future. Any such event may have an adverse effect on our business, financial conditions, reputation and profit.

5. ***We are heavily dependent on certain suppliers from whom we procure our material on regular basis. Our day to day operations are dependent on their supply and availability of products. Any disruption of supply from such entities may affect our business operations.***

In the Financial year 2022-23 and 2021-22 our purchases from top 10 suppliers comprised of 62.52% and 72.77% of our total purchases. We mainly procure our raw materials and bought out items from suppliers on daily basis. We believe that the quality of raw materials supplied, the transparent pricing, location advantage, etc. are some of the major reasons our Company prefers to procure our goods from these key players. However, the fact that we are so heavily dependent on these manufacturers exposes us indirectly to the risks that these manufacturers face. Any failure of the manufacturers to deliver these goods in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

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

Our business is working capital intensive and hence, Trade Receivables and Inventories form substantial part of our current assets and net worth. Our, Trade Receivables and Inventories as on June 30, 2023 were ₹ 1,267.11 lakhs and ₹ 608.52 lakhs respectively which comprises of 86.01% of Total Assets and as on March 31, 2023, were ₹ 899.85 lakhs and ₹ 843.78 lakhs respectively which comprises of 84.21% of Total Assets. Being a capital good manufacturing company, our company is not invested highly in Capital Assets and some portion of our manufacturing process is outsourced thereby making us an asset-light business model. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables.

We generally procure raw materials on the basis of management estimates based on past requirements and future estimates. In case we fail to sell the customized equipment we manufacture based on the specific requirement of our customers, we may be required to write-down our inventory or entail extra expenditure to customize it for other customer or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. As on June 30, 2023 and March 31, 2023 Trade Receivables outstanding for more than three years are 26.51% and 46.72% of Trade Receivables respectively. We run a risk to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

7. ***We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. We may also be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favourable terms, or at all.***

As on Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023 and for the period ended June 30, 2023 we have ₹ 600.59 lakhs, ₹ 699.45 lakhs ₹ 812.67 lakhs and ₹ 896.02 lakhs respectively, of outstanding debt including current maturities of long- term Debts on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;



- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability

If any of these risks were to fructify, our business and results of operations may be adversely affected. We intend to repay part of our indebtedness from the funds proposed to be raised from this Issue. For details please refer to chapter titled “Objects of the Issue” beginning on page 63 of this Prospectus. The reduction in the debt will enable us to improve our debt equity ratio.

Our business requires funding for capital expenditure and working capital requirements in the future. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition. Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

**8. *Our Company is dependent on our promoter group entity for certain parts of our manufacturing processes and corporate activities.***

Our primary manufacturing plant located at Nashik is owned in the name of our company. However, our corporate office located at Navi Mumbai is owned by our promoter group entity – M/s. Transfer Systems and leased to us for joint use as a corporate office. Further, in this Navi Mumbai facility certain of our manufacturing process related works are carried out for which our company pays processing charges to this entity.

We have not entered into any long-term contract for such services with this entity and the same is being carried out on an order-to-order basis. Further we have not entered any non-compete agreement with them, so there is no assurance that they will not enter into any competition with us. We face conflict of interest related risks in the future and our inability to find an alternative arrangement at similar terms for such activities could affect our future operational results and financial conditions..

**9. *One of the properties is mortgaged for our secured loans do not belong to us and is owned by our Promoter Group. Further, our Promoters have extended personal guarantees in connection with our debt facilities. There can be no assurance that such properties and personal guarantees will be continued to be provided by our Promoters and related entity in the future or can be called at any time, affecting our financial condition.***

Our Company has obtained a loan from Piramal Capital & Housing Finance Limited for a total loan sanction amount of ₹151.28 lakhs. The said loan amount is secured by an immovable property, which is not owned by our Company. The property is owned by our Promoter Group entity. If they withdraw, sell or dispose of, the property or decide not to continue it as a security for our loan due to any reason, we may require alternative properties of an equal or greater value. We cannot assure you that we will be able to acquire such a property within reasonable time and of the desired value or at all. If we are unable to arrange suitable collateral within the stipulated time, we may be required to repay a substantial portion of the loan. In order to arrange for collateral, we may have to acquire properties at commercially



unviable terms or with unviable prospects, which may lead to a large capital out flow, adversely affecting our cash flow condition and financial stability.

Further, our Promoters have provided personal guarantees for the above-mentioned borrowings to secure our loans. If these personal guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees, or withdrawal of property as security provided in connection with our Company's borrowings

**10. Our directors (including our promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding, remuneration and dividend entitlement in our Company. In addition our Promoter Group Entity is interested in purchases, sales and other transaction.**

Some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding, loan and dividend entitlement in our Company, rent/charges paid to promoter group entity in addition to normal remuneration or benefits and reimbursement of expenses. Our Directors and their relatives jointly currently holds 50.00 % of shareholding of our Company and will hold 35.09 % of post issue shareholding of our Company. We cannot assure you that our directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our directors will always act to resolve any conflicts of interest in our favor, thereby adversely affecting our business and results of operations and prospects.

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

We have entered into related party transactions from time to time with our promoters, directors and promoter group entities. Some of the regular related party transactions involved in our company are explained below:

- Our company has obtained unsecured loans from our directors and promoter group in the past. Furthermore, it is likely that we will enter into such transactions in the future as and when funds are needed. Hence our directors may be interested in interest earned on such loans in the future or repayment of the same. The total outstanding loans from related parties as on March 31, 2023 and June 30, 2023 was ₹ 55.40 lakhs and 55.40 lakhs respectively
- We have entered into leave and license agreement with promoter group entity for property at Navi Mumbai to use as our corporate office, which costs us a monthly rent of ₹ 2.00 lakhs.
- We have even taken loan against the property owned by promoter group entity and we pay interest on it, where the entity is classified as co-borrower in sanction letter of such loan.
- We have in the past bought and sold some of our products and raw materials with our associate entity and we may continue to do so in the future
- We pay salaries and reimbursement of expenses to our directors.

We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. A summary statement of the related party transactions is as follows:

(₹ in Lakhs)

Particulars	For the period ended June 30, 2023	For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>Directors</b>				
Remuneration	5.08	20.33	20.33	14.01



Particulars	For the period ended June 30, 2023	For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>Promoter Group Entity</b>				
Processing Charges and Fees paid	24.51	123.32	75.09	55.50
Rent paid	6.00	24.00	24.00	24.00
Sales	-	20.50	75.30	-
Purchases	-	-	78.75	-
<b>Balances at the end</b>				
Due to Directors	22.10	19.74	15.23	11.73
Due to Promoter Group Entity	72.80	74.55	54.04	59.80

**12. *Our success depends heavily upon our Promoters and Directors for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of Ajit Mundle and Jyoti Mundle who are the natural person in control of our Company. Our Promoters have a vast experience in the field of dryer industry through their erstwhile partnership firms engaged in similar business. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company's current customer and supplier relations. We believe that our relation with our Promoters, who have rich experience in this industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business.

Further, our Promoters are also part of certain other firms and may continue to do so. If they divert their attention to such other concerns, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Further, we also depend significantly on our Directors for executing their day to day activities. If our Promoters or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected. In addition, we depend on our Directors in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Directors and Promoters, in relation to our bank loans for which they have granted certain security and personal guarantees.

**13. *Our Company has not entered into any long-term contracts with most of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability***

Our Company has had long standing business relationships with various customers. A substantial number of our customers are big brands engaged in varied industry segments like agriculture, food chemical, engineering, etc. However, we have not entered into any fixed contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management. Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

**14. *Our company may be involved in certain litigations in the future and inability to effectively deal with them could materially adversely affect our business performance.***

As on date of this Prospectus, we do not have any material litigation on going. However the nature of our business and operations is dynamic and we could in the future face tax litigations, labor law related issues as well as civil and



criminal claims. Our inability to effectively deal with such litigations / disputes if any in the future would negatively affect our results of operations and financial conditions.

**15. The average cost of acquisition of Equity Shares by our Promoters are lower than the Issue Price and there has been major change in shareholding patten in last 18 months.**

Our Promoters weighted average cost of acquisition of Equity Shares in our Company is 4.51 which is lower than the Issue Price of ₹ 233.00 as decided by the Company in consultation with the LM. During the year 2022-23, we ended our partnership with foreign partners and as of now they do not hold any shares in our company nor have any influence over our business operations. This alone has led to change in shareholding pattern for 50.00% during the last 18 months. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters and other shareholder in our Company, please refer chapter title “Capital Structure” beginning on page 56 of this Prospectus.

**16. Our contingent liabilities if materialized could adversely affect our results of operations.**

We have recognized certain items as contingent liabilities which may accrue against us in the future. The details of the same are as below:

(₹ in lakhs)

Particulars	Amount
Demand Notice (TDS)	10.94
Demand Notice (GST)	9.08
Demand Notice (Provident Fund)	32.10
<b>Total</b>	<b>52.11</b>

Our inability to minimize or pay these liabilities if materialized could adversely affect our results of operations.

**17. We have reported negative net cash flows in the past and may do so in the future.**

The following table sets forth net cash inflow/ (outflow) from operating, investing and financing activities for the period ended June 30, 2023 and Fiscals ended March 2023, 2022, 2021:

(₹ in lakhs)

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net cash flow from operating activities	(48.99)	57.28	(96.70)	91.21
Net cash flow from Investing activities	-	-	(1.55)	-
Net cash flow from financing activities	57.87	(27.33)	14.44	(38.67)

We had negative cash flows from operating activities for period ended June 30, 2023 due to increase in trade receivables and payment of current liabilities. We had negative Cash flows from Operating activities for Fiscal 2022 due to the change in inventories and increase in short term loans and advances.. Further we have negative cash flows from investing activities for the March 31, 2022 since the Company has invested in additions to plant and machinery during this period. We had negative cash flows from financing activities for Fiscal 2023 and Fiscal 2021 due to interest cost incurred on borrowings.

We cannot assure you that our net cash flows will be positive in the future. If our Company is not able to generate sufficient cash flows, our Company may not be able to generate sufficient amounts of cash flow to finance our projects, make new capital expenditure, pay dividends, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

**18. Our Company is dependent on the continuing operation of our manufacturing facility.**

Any significant interruption at our manufacturing facility could have a material adverse effect on our business, results of operations and financial condition. Our Company has one unit where the majority manufacturing of the products takes place which is located at Nashik. Our manufacturing facility is subject to the normal risks of industrial production, including equipment breakdowns, labor shortages, natural disasters, industrial accidents, power interruptions etc. In case of any disruption at such facilities, it may adversely affect the manufacturing cycle, and may



lead to time over-run in the execution of the project and timely delivery of our product. If there is any disruption in any ongoing project we might not be able to shift in between the process to any other manufacturing facility. All these factors may adversely affect our operations and profitability.

**19. *Our Company has availed unsecured loans which are repayable on demand.***

As of June 30, 2023, our Company had availed unsecured loans amounting to ₹ 283.83 lakhs, comprising 31.68% of the total borrowings of our Company. Out of this an amount of Rs.55.40 lakhs is obtained from related parties. As of March 31, 2023, our Company had availed unsecured loans amounting to ₹ 191.69 lakhs, comprising 23.59% of the total borrowings of our Company. Out of this an amount of Rs.55.40 lakhs is obtained from related parties. Any sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, if we are unable to raise funds at short notice, it may result in shortage of working capital fund. For further details, please refer to the section “Unsecured Loans” under “Financial Statements” beginning on page no 129 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

**20. *There have been instances of delays in filings and payment of Provident Fund, ESIC, TCA, TDS and Professional Tax. If the Regulatory 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.***

There have been instances of delays in filings and payments w.r.t Provident Fund, ESIC, TCS, TDS and Professional Tax dues. As on June 30, 2023 we have dues outstanding for the same of ₹ 61.72 lakhs. Of the same our company has paid ₹ 51.20 lakhs as on date of this Prospectus and the remaining amounts are payable with delay penalty if any. Therefore, if the Regulatory 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.

**21. *We are dependent on third party transportation providers for the delivery of our products to our customers.***

We rely substantially on third party transportation providers for the supply of our products to our customers. Transportation strikes / non-availability of Transportation could have an adverse effect on our ability to deliver the same to our customers. Increase in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. In addition, India’s physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including delivery of our products to customers by third-party transportation providers. 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 business operations, which could have a material adverse effect on our results of operations and financial condition.

**22. *Our success depends heavily upon our Promoters who are also Executive Directors for their continuing services, strategic guidance and financial support***

Our success depends heavily upon the continuing services of Ajit Mundle and Jyoti Mundle who are the natural person in control of our Company. Our Promoters have a vast experience in the field of dryer industry through their erstwhile partnership firms engaged in similar business. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company’s current customer and supplier relations. We believe that our relation with our Promoters, who have rich experience in this industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business.

Further, our Promoters are also part of certain other firms and may continue to do so. If they divert their attention to such other concerns, we may not be able to function as efficiently and profitably as before. Both the Promoters who are



also Executive Directors are more than 70 years old and currently none of the successor is involved to oversee and manage the daily operation of Company. The loss or interruption of the continued services of any member of our senior management team, including our executive directors, would disrupt our business and adversely affect our financial condition and results of operations. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

23. ***Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.***

Our Company has employed 54 employees as on June 30, 2023 on our payroll. The above includes employees in the top and middle management (including Executive Director), and also employees who are part of manufacturing unit and office staff, we also engage daily wage labourer to facilitate our manufacturing operations from time to time. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected. Further, there might be instances where we will need to hire additional part time labour, either for specialized jobs or during periods of high customer orders. We have not entered into any agreement for hiring additional labourers and thus availability of appropriately skilled labour cannot be guaranteed. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

24. ***The deployment of the Net Proceeds from the Fresh Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Fresh Issue.***

The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilization of Net Proceeds. Also, as per terms of Regulation 262 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue.

Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our operational and financial performance.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Issue, at a price and manner as specified in the SEBI ICDR Regulations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds.

25. ***If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.***

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, our ability to maintain customer satisfaction, our ability to mobilize sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There



can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. For e.g. our strategy to increase operational efficiency is dependent on our ability to focus on better analysis of customer demand and accordingly managing our bulk supply of the various traded products. Further, our strategy to improve our debt – equity ratio may not amortization in the manner we intend to, and we may be required to obtain additional debt to meet immediate capital requirements, resulting in unfavorable ratios. Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

**26. *Our cost of production is exposed to fluctuations in the prices of raw materials required for the manufacture as well as its availability.***

Our company is exposed to fluctuations in the prices of various raw materials like steel, angle, bars, pump, castings, cutting wheels and bought out items such as gear box, electric motor, bearings, control panels etc. as well as its availability, particularly as we typically do not enter into any supply agreements with our suppliers and all the above mentioned raw materials are bought by our Company from suppliers on an order to order basis. The prices of the various raw materials used in our manufacturing process are subject to fluctuations in the prices due to changes in core prices of minerals as a natural resource etc. We may be unable to make adequate provisions for the price fluctuations and, consequently, any adverse fluctuations that we have not factored in or provided for may adversely affect the results of our operations and our financial conditions. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. These factors could adversely affect our business, results of operations, financial condition and cash flows.

**27. *Industrial accidents at our manufacturing facility may adversely affect our operation.***

Our manufacturing facility are subject to operating risk resulting in fatal accidents which can cause injury to the labour and employees of the company and this could also cause damage to the property and plant and machinery situated at the factory which could have an adverse effect on our operations. Though, we have taken adequate safety measures in order to avoid such mishaps, but in case of any such happening of the event out of our control, we cannot assure you whether it will be sufficient or not. Further occurrence of such accidents could impact our production schedules, costs, revenue and ability to meet customer demand.

**28. *Any delay or defaults in receipt of payments or dues from our customers could result in a reduction of our profits.***

We regularly commit resources prior to receiving payments from our customer. We have long gestation order delivery process and many of our clients hold our monies for substantial amount of time depending on various reasons such as product acceptability etc. Hence, we have in the past written off some of our debtors as bad debts and may in the future do so as and when it is certain that such monies would not be recovered. For further details please to the “Financial Statements” beginning on page no 129 of this Prospectus. We may be subject to working capital shortages due to delays or defaults in receipt of payments or dues from such customers. If our customers default in their payments or if any order/ assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

**29. *We sell our products in competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.***

The capital goods industry is highly competitive, coupled with the large number of players and also the existence of amortization players. Also, several national and international dryer manufacturers and brand owners have set-up their own distribution arms / have distribution tie-ups in India. With the high level of competition, our results of operations are sensitive to, and may be materially and adversely affected by, competitive pricing, services offered, brand recognition and other factors. Competition may result in pricing pressure, reduced profit margin or a failure to increase our market share, any of which could substantially harm our business and results of our operations. Many of our competitors are established companies with strong brand recognition and a high number of product distribution



agreements. We compete primarily on the basis of timely delivery, quality, quick financing and overall customer relationship.

Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships and greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other smaller traders expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, technologies, trends or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**30. *Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.***

Our business and assets could suffer damage from fire, natural calamities and the goods transported to our customers by our supplier could suffer from damage, misappropriation or other causes, resulting in losses, which may not be covered / fully compensated by insurance. Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees which may occur due to various reasons including misconduct with customers. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include standard fire and special perils policy and vehicle policy for registered office and cranes at the godown. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see “*Insurance – Our Business*” on page no. 90 of this Prospectus.

**31. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations***

We may encounter problems in executing the orders in relation to our traded products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, even though we may finalise the deal order with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent the delivery of the orders placed will be made. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business.

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.



32. ***We are yet to make an application seeking registration of trademark of our “ ARROWHEAD ”. There is no assurance that this application shall result in us being granted registration in a timely manner.***

Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations. We have not yet applied for registration of our name and logo under the provisions of the Trademarks Act, 1999. As such, we do not enjoy the statutory protection accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill.

Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

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

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange(s) which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we might have to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. This could have an adverse effect on our profit and reputation.

35. ***We have not made any alternate arrangements for repaying the unsecured loans 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 or meeting the same could adversely affect our growth plans, operations and financial performance. As on date, we have not made any alternate arrangements for repaying our unsecured loans as per the Objects of the Issue. Any shortfall in our net cash flows, internal accruals and our inability to raise institutional debt in future would result in us being unable to repay these unsecured loans, which are repayable on demand, which in turn may increase our financial costs, affect our associate entity liquidity and restrict future funding from them in urgent situations, thus negatively affecting 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 "Objects of the Issue" on page no 63 of this Prospectus.



**36. *We are subject to stringent labour laws and our workmen are amortized under a number of trade unions. Labour disputes could lead to lost production and increased costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of such stringent labour regulations, it is difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business, financial condition and results of operations. Additional labour unrest could result due to the operative labour union within our workforce. We cannot assure you that there will not be any face, strikes or work stoppages in the future, which could have an adverse impact on our operations, particularly given our dependence on a large workforce. For further details, please see “*Key Industrial Regulations and Policies*” on page 101 of this Prospectus.

**37. *Our operations are prone to fire and could expose us to the risk of liabilities, lost revenues and increased expenses.***

Our operations are subject to fire hazards associated with the large scale processing of steel in high temperature and other processes. This hazard can cause personal injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage, and may result in the suspension of operations and the imposition of civil and criminal liabilities. There may be additional claims of injury by employees or members of the public due to fire, or alleged exposure to the fire in the future. Liabilities incurred as a result of these events may materially impact our financial position. We maintain Fire insurance against these liabilities, but the insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

**38. *Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, might adversely affect Our Company’s results of operations and its financial condition.***

We are subject to Indian laws and government regulations, including laws in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations inter alia impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our Company’s operations and products. In addition, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. For further details, please see “*Key Industry Regulation and Policies*” on page no 101 of this Prospectus. Failure to comply with any existing or future regulations applicable to us might result in levy of fines, commencement of judicial proceedings and/or third party claims, and might adversely affect our results of operations and financial condition.

Further, there can be no assurance that our Company will not be involved in future litigation or other proceedings or be held responsible in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which would be material. Any accidents involving hazardous substances might cause personal injury and loss of life, substantial damage to or destruction of property and equipment and would result in a suspension of operations. The loss or shutdown of operations over an extended period at any of our Company’s facilities would have a material adverse effect on our Company’s business and operations.

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

An outbreak of a novel strain of corona virus (COVID-19) was recognized by the World Health Organization as a public health emergency of international concern on January 30, 2020, and as a pandemic on March 11, 2020. The outbreak of COVID-19 has significantly and adversely impacted and will likely continue to impact economic activity and has contributed to significant volatility in global financial markets and led to operational challenges. It is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, stagnation, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. In particular, a number of governments and organizations have revised GDP growth forecasts for 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as issuing advisories and imposing country or state wide lockdowns, including restrictions on travel and temporary closure of business operations and increased remote working protocols, which have significantly slowed down economic activity.



On March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown announced on March 24, 2020. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future. On account of this Covid, government imposed lockdown in India, operations at our manufacturing facility was temporarily shut down with effect from March 23, 2020 and resumed with few staff from May 10, 2020 and came into full-fledged operations from July 26, 2020 in accordance with permissions from the local authorities. The COVID-19 pandemic and resulting government actions may affect our business, results of operations and financial condition, in the future, in a number of ways such as requiring a complete or partial closure of our 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. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied.

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. Further, due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such prolonged instances of lockdown may adversely affect our business, financial condition and results of operations.

### **RISK FACTORS RELATED TO EQUITY SHARES**

40. ***There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with our future performance;
- Adverse media reports about us or our shareholders;
- Future sales of the Equity Shares;
- Variations in our half-yearly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about the performance of companies engaged in industrial capital goods sector generally;
- Perception in the market about investments in the Industrial sector capital goods;
- Significant developments in the regulation of the trading and distribution industry in our key trade locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India’s economic liberalization and deregulation policies; and
- Significant developments in India’s fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share. Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of ₹ 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a



recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an 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 to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**42. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

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

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

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

**45. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**EXTERNAL RISK FACTORS**

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.



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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**48. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communication services. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of services our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

**49. *With time we might be liable to other labor laws which were not applicable before leading to increase cost and time to be invested in its compliance.***

Employees form the integral part of the operation of our business. Any labor disputes or unrests could lead to lost production, increased costs or delays which could lead to penalties. We are subject to a number of stringent labor legislation that protects the interests of workers and defines our duties and obligations towards them in the capacity of principal employers, including legislations that sets forth detailed procedures for employee removal and dispute resolution and impose financial obligations on us. We are also subject to state and local laws and regulations. If labor laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows. Any organizational changes, including changes in salaries and wages and other employee benefits that are, or are perceived to be negative, could result in an increased attrition rate. We cannot assure you that there may not be incidences of labor unrest and absenteeism from work by some of our employees. Labour shortages could increase the cost of labor and hinder our productivity and ability to adhere to our delivery schedules for our projects, which would materially and adversely affect our business, financial condition, results of operations and prospects.

**50. *Our Company is subject to risk arising from changes in interest rates and banking policies.***

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of 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 pass on to our customers, whether entirely or in part, and may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs



on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**53. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.***

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

**54. *Any disproportionate increase in labor costs including increase in wage/salary demand, labor unrest or labor claims arising from accidents may adversely affect our business operations and financial conditions.***

Our increasing business operations may require our employee strength to increase in future. In the past our Company has not experienced any labor unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

**55. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.



56. ***Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.



## SECTION IV: INTRODUCTION

### THE ISSUE

<b>Equity Shares<sup>(1)</sup> :</b> Present Issue of Equity Shares by our Company <sup>(2)</sup>	5,58,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 233 per Equity Share aggregating ₹ 1,300.14 lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	30,000 Equity Shares of face value of ₹10 each for cash at a price of ₹ 233 per Equity Share aggregating ₹ 69.90 lakhs.
<b>Net Issue to Public</b>	5,28,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 233 per Equity Share aggregating ₹ 1,230.24 lakhs.
	<b>Of which<sup>(3)</sup>:</b>
	2,64,000 Equity Shares of ₹ 10 each at a price of ₹ 233 per Equity Share will be available for allocation for Investors of upto ₹ 2.00 lakhs
	2,64,000 Equity Shares of ₹ 10 each at a price of ₹ 233 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity shares outstanding prior to the Issue</b>	13,13,325 Equity Shares of face value of ₹ 10 each
<b>Equity shares outstanding after the Issue</b>	18,71,325 Equity Shares of face value of ₹ 10 each
<b>Use of Net Proceeds</b>	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page no. 63 of this Prospectus.

<sup>(1)</sup> This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Information” beginning on page no. 181 of this Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated May 29, 2023 and by Special Resolution passed under Section 62(1) (C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders on June 02, 2023.

<sup>(3)</sup> The allocation’ is the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time:

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

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

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

For further details please refer to the chapter titled “Issue Structure” beginning on page no. 187 of this Prospectus.



## SUMMARY OF FINANCIAL INFORMATION

### Restated Financial Statement of Assets and Liabilities

(₹ in Lakhs)

	Particulars	Note No	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>(I)</b>	<b>Equity and Liabilities</b>					
1	Shareholder's Fund					
a)	Equity share capital	3	131.33	131.33	80.82	80.82
b)	Reserves and Surplus	4	179.08	114.74	(3.56)	(12.73)
	<b>Total Equity</b>		<b>310.41</b>	<b>246.07</b>	<b>77.26</b>	<b>68.09</b>
2	<b>Non-Current Liabilities</b>					
a)	Long term Borrowings	5	119.40	108.44	113.31	115.09
b)	Long-term Provisions	6	133.76	138.91	137.19	123.95
	<b>Total Non-Current Liabilities</b>		<b>253.16</b>	<b>247.35</b>	<b>250.50</b>	<b>239.05</b>
3	<b>Current Liabilities</b>					
a)	Short-term Borrowings	7	776.62	704.23	586.14	485.49
b)	Trade Payables	8				
	Dues of Micro enterprises and small enterprises		292.09	273.15	115.45	229.16
	Dues of Others		109.00	103.35	171.33	78.15
c)	Other Current Liabilities	9	287.39	366.84	499.58	341.25
d)	Short-term Provisions	10	151.96	129.55	131.96	126.25
	<b>Total Current Liabilities</b>		<b>1,617.05</b>	<b>1,577.11</b>	<b>1,504.47</b>	<b>1,260.30</b>
	<b>Total Equity and Liabilities</b>		<b>2,180.62</b>	<b>2,070.53</b>	<b>1,832.23</b>	<b>1,567.43</b>
<b>(II)</b>	<b>Assets</b>					
1	<b>Non-Current Assets</b>					
a)	Property, Plant and Equipments	11				
	i) Tangible Assets		28.73	29.27	32.41	34.39
	ii) Intangible Assets		0.00	0.00	0.98	3.19
b)	Deffered Tax Assets (Net)	12	2.64	2.65	2.36	1.27
c)	Long term Loans & Advances	13	6.71	12.76	36.65	36.34
	<b>Total Non-Current Assets</b>		<b>38.08</b>	<b>44.68</b>	<b>72.40</b>	<b>75.20</b>
2	<b>Current Assets</b>					
a)	Inventories	14	608.52	843.78	933.48	637.41
b)	Trade Receivables	15	1,267.11	899.85	644.68	649.44
c)	Cash and Cash Equivalents	16	90.55	81.67	51.72	135.54
d)	Short-term Loans and Advances	17	176.37	200.56	129.95	69.85
	<b>Total Current Assets</b>		<b>2,142.54</b>	<b>2,025.86</b>	<b>1,759.84</b>	<b>1,492.24</b>
	<b>Total Assets</b>		<b>2,180.62</b>	<b>2,070.53</b>	<b>1,832.23</b>	<b>1,567.43</b>



**Restated Financial Statement of Profit and Loss**

(₹ in Lakhs)

Particulars	Note	For the period ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue:</b>					
Revenue from operations	18	872.26	2,150.10	1,087.13	912.29
Other income	19	9.45	21.47	4.60	4.34
<b>Total Revenue</b>		<b>881.71</b>	<b>2,171.57</b>	<b>1,091.73</b>	<b>916.63</b>
<b>Expenses:</b>					
Change in Inventories	20	215.00	135.01	(272.45)	(20.55)
Cost of Materials Consumed	21	348.22	1,188.15	831.37	636.15
Employee benefit expenses	22	76.28	314.16	318.18	249.65
Finance costs	23	26.53	142.96	89.04	72.69
Depreciation & Amortization cost	11	0.54	3.75	5.75	6.46
Other expenses	24	129.17	203.73	106.92	95.28
<b>Total Expenses</b>		<b>795.72</b>	<b>1,987.77</b>	<b>1,078.81</b>	<b>1,039.68</b>
Exceptional items					
<b>Net Profit before Tax</b>		<b>85.99</b>	<b>183.80</b>	<b>12.92</b>	<b>(123.05)</b>
<b>Less: Provision for Tax</b>					
(a) Current Tax		21.64	13.91	-	-
(b) Deferred Tax		(0.01)	0.28	1.09	(0.04)
(b) Deferred Tax for earlier periods			1.00	4.84	56.10
<b>Total</b>		<b>21.65</b>	<b>14.62</b>	<b>3.75</b>	<b>56.14</b>
<b>Net Profit / (Loss) for the period after tax but before extra-ordinary items</b>		<b>64.34</b>	<b>169.18</b>	<b>9.17</b>	<b>(179.19)</b>
Extraordinary Items					
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>		<b>64.34</b>	<b>169.18</b>	<b>9.17</b>	<b>(179.19)</b>
<b>Earnings Per Share:</b>					
- Basic		4.90	<b>12.88</b>	<b>0.70</b>	<b>(13.64)</b>
- Diluted		<b>4.90</b>	<b>12.88</b>	<b>0.70</b>	<b>(13.64)</b>



**Restated Financial Statement of Cash Flows**

(₹ in Lakhs)

Particulars	For the period ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>				
Net profit before tax	85.99	183.80	12.92	(123.05)
<b>Adjustments for :</b>				
Depreciation	0.54	3.75	5.75	6.46
Interest income	(1.05)	(2.41)	(4.60)	(4.34)
Finance Cost	26.53	142.96	89.04	72.69
Change in Gratuity Provision	(5.15)	1.71	13.24	(3.81)
<b>Operating profit before working capital adjustment</b>	<b>106.86</b>	<b>329.81</b>	<b>116.34</b>	<b>(52.05)</b>
<b>Adjustment for changes in working capital</b>				
Increase/ (Decrease) in Trade payables	24.59	89.72	(20.53)	65.15
(Increase)/ Decrease in Current Liabilities	(79.45)	(132.74)	158.34	63.22
Increase/ (Decrease) in Short term provisions	22.41	(2.42)	5.72	15.85
(Increase)/ Decrease in Inventory	235.26	89.71	(296.08)	(14.96)
(Increase)/ Decrease in Trade Receivables	(367.25)	(255.17)	4.75	44.02
(Increase)/ Decrease in Long Term Loans and advances	6.05	23.89	(0.31)	(12.95)
(Increase)/ Decrease in Short term loans and advances	24.19	(70.61)	(60.09)	39.03
<b>Cash flow generated from operations</b>	<b>(27.35)</b>	<b>72.18</b>	<b>(91.86)</b>	<b>147.31</b>
Direct taxes paid	21.64	14.91	4.84	56.10
<b>Net cash flow from operating activities (A)</b>	<b>(48.99)</b>	<b>57.28</b>	<b>(96.70)</b>	<b>91.21</b>
<b>Cash flow from investing activities</b>				
Sale of fixed assets	-	-	-	-
Purchase of plant and machinery	-	-	(1.55)	-
<b>Net Cash flow from Investing activities (B)</b>	<b>-</b>	<b>-</b>	<b>(1.55)</b>	<b>-</b>
<b>Cash flow from financing activities</b>				
Interest income	1.05	2.41	4.60	4.34
Proceed from short term borrowings	72.39	118.08	100.65	34.84
Proceed from Long Term Borrowings	10.95	(4.87)	(1.78)	(5.15)
Finance cost	(26.53)	(142.96)	(89.04)	(72.69)
<b>Net cash flow From financing activities (C)</b>	<b>57.87</b>	<b>(27.33)</b>	<b>14.44</b>	<b>(38.67)</b>
Increase/(Decrease) in cash and cash equivalents (A+B+C)	8.88	29.94	(83.81)	52.54
Cash and cash equivalent at the beginning of the year	81.67	51.72	135.54	83.00
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>90.55</b>	<b>81.67</b>	<b>51.73</b>	<b>135.54</b>



## GENERAL INFORMATION

Our Company was incorporated as Arrowhead Separation Engineering Private Limited on July 25, 1991 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 062643. The status of the Company was changed to public limited and the name of our Company was changed to Arrowhead Separation Engineering Limited vide Special Resolution dated March 01, 2023. The fresh certificate of incorporation consequent to conversion was issued on April 18, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74210MH1991PLC062643. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter “*History and Certain Corporate Matters*” on page no. 107 of this Prospectus.

## BRIEF COMPANY AND ISSUE INFORMATION

<b>Registered Office</b>	<b>Arrowhead Separation Engineering Limited</b> Survey No 39 Village Mundhegaon Tal Igatpuri Nashik-422403. <b>Tel No.:</b> + 91 84228 29060 <b>Email ID:</b> <a href="mailto:info@arrowhead-dryers.co.in">info@arrowhead-dryers.co.in</a> <b>Website:</b> <a href="http://www.arrowhead-dryers.com">www.arrowhead-dryers.com</a>
<b>Corporate Office</b>	W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710
<b>Date of Incorporation</b>	July 25, 1991
<b>Company Registration Number</b>	062643
<b>Company Identification Number</b>	U74210MH1991PLC062643
<b>Address of the Registrar of Companies</b>	<b>Address:</b> 100, Everest, Marine Drive, Mumbai – 400002. <b>Tel No:</b> +91- 22- 2281 2627 / 2202 0295/ 2284 6954 <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Issue Programme</b>	<b>Issue Opens on:</b> November 16, 2023 <b>Issue Closes on:</b> November 20, 2023
<b>Designated Stock Exchange</b>	BSE Limited
<b>Company Secretary and Compliance Officer</b>	<b>Radhika Bhootra</b> <b>Address:</b> Survey No 39 Village Mundhegaon Tal Igatpuri Nashik-422403 <b>Tel No.:</b> + 91 84228 29060 <b>Email ID:</b> <a href="mailto:info@arrowhead-dryers.co.in">info@arrowhead-dryers.co.in</a> <b>Website:</b> <a href="http://www.arrowhead-dryers.com">www.arrowhead-dryers.com</a>

## Board of Directors

As on the date of this Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Ajit Mundle	Chairman & Managing Director	01745577	Opp-Lakme compound, Flat No-203, Navdurga Apartment, Govandi Station Road, T.F.Donar Mumbai-400088.
Jyoti Mundle	Whole Time Director	01744211	Near Chembur Post office, Suyog 215/216, D.K. Sandhu Marg, Chembur, Mumbai-400071.
Priyanka Moondra Rathi	Non-Executive Independent Director	09485101	Plot No. 16/2 B, Bhatti Ki Bavri, Chopasni Housing Board, Jodhpur, Rajasthan 342008
Mayuri Rupareliya	Non-Executive Independent Director	09696908	402, Giriraj Palace, New Collegewadi Street - 2, Behind Punjab Honda - (I), Rajkot, Gujarat-360005.
Nikhil Malpani	Non-Executive Independent Director	09816032	Jawahar Colony, Kampoo, Behind Padma School, Gird, Gwalior, Madhya Pradesh – 474001

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “*Our Management*” beginning on page no. 110 of this Prospectus.



## Investor Grievances

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Lead Manager 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 and non-receipt of funds by electronic mode.

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. 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.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

### LEAD MANAGER



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor

Alkesh Dinesh Modi Marg

Opp. P. J. Towers (BSE Building),

Fort, Mumbai – 400 001

Tel No.: +91 – 22 – 6216 6999

Email: [ipo@afsl.co.in](mailto:ipo@afsl.co.in)

For Investor Grievances: [feedback@afsl.co.in](mailto:feedback@afsl.co.in)

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

Contact Person: Vatsal Ganatra

SEBI Registration No.: INM000011344

### REGISTRAR TO THE ISSUE



#### CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 1, Club House Road,

Chennai – 600 002.

Tel.: +91 - 44 – 40020700 (5 Lines)

E-mail: [priya@cameoindia.com](mailto:priya@cameoindia.com)

Investor Grievance Email: [investor@cameodina.com](mailto:investor@cameodina.com)

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

Contact Person: Ms. K. Sreepriya

SEBI Registration. No.: INR 000003753

### LEGAL COUNSEL TO THE ISSUE

#### M/S. ABDUS SAMEE ABDUL QADIR MANIYAR (A. A. MANIYAR) (ADVOCATE)

Office No. 2-A, Ground Floor, Ali Chambers,

Tamarind Street, Fort, Mumbai 400 001

Tel No.: +91 – 79 –26447527



**Contact Person:** Sayyed Allahnaksh  
**Email:** [advaamaniyar@gmail.com](mailto:advaamaniyar@gmail.com)

#### STATUTORY AUDITOR

**B B Gusani & Associates., Chartered Accountants**  
 215-B, Manek Centre,  
 P. N. Marg, Jamnagar - 361008  
**Tel:** +91- 9428817400  
**Email:** [bhargavgusani77@gmail.com](mailto:bhargavgusani77@gmail.com)  
**Contact Person:** Bhargav B Gusani  
**Membership No.:** 120710  
**Firm Registration No.:** 140785W  
**Peer Review No:** 013043

#### CHANGES IN THE AUDITORS

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Prospectus:

Date	From	To	Reason for Change
October 29, 2021	<b>M/s. Hemant Mhambrey &amp; Associates., Chartered Accountants</b>  2/2B, Mhada Colony, Near Poonam Nagar, Andheri (East), Mumbai-400093. <b>Tel:</b> +91 2836 7161 <b>E-Mail:</b> <a href="mailto:hemantmhambrey@gmail.com">hemantmhambrey@gmail.com</a> <b>Contact Person:</b> CA Hemant Mhambrey <b>Membership No:</b> 38238 <b>Firm Registration No:</b> 103645W <b>Peer Review No:</b> NA	<b>M/s. M. R. Sharma &amp; Co., Chartered Accountants</b>  A/26 Nand Bhavan Industrial Estate, Mahakali Caves Road, Andheri East, Mumbai - 400093 <b>Tel:</b> +91 2836 7161 <b>E-Mail:</b> <a href="mailto:camrsharma@gmail.com">camrsharma@gmail.com</a> <b>Contact Person:</b> CA M R Sharma <b>Membership No:</b> 43562 <b>Firm Registration No:</b> 109965W <b>Peer Review No:</b> 013880	Dissolution of Firm
June 5, 2023	<b>M/s. M. R. Sharma &amp; Co., Chartered Accountants</b>  A/26 Nand Bhavan Industrial Estate, Mahakali Caves Road, Andheri East, Mumbai – 400093. <b>Tel:</b> +91 2836 7161 <b>E-Mail:</b> <a href="mailto:camrsharma@gmail.com">camrsharma@gmail.com</a> <b>Contact Person:</b> CA M R Sharma <b>Membership No:</b> 43562 <b>Firm Registration No:</b> 109965W <b>Peer Review No:</b> 013880	<b>B B Gusani &amp; Associates., Chartered Accountants</b>  215-B, Manek Centre, P. N. Marg, Jamnagar - 361008 <b>Tel:</b> +91- 9428817400 <b>Email:</b> <a href="mailto:bhargavgusani77@gmail.com">bhargavgusani77@gmail.com</a> <b>Contact Person:</b> Bhargav B Gusani <b>Membership No.:</b> 120710 <b>Firm Registration No.:</b> 140785W <b>Peer Review No:</b> 013043	Casual Vacancy

#### BANKERS TO OUR COMPANY



**Bank of Baroda**  
 Chembur Branch, Fairlawn Co-op Hsg Soc., Plot No 7, S T Road, Chembur, Mumbai -400071  
**Tel No.:** +91 22 2506 2201  
**Email:** [chembu@bankofbaroda.com](mailto:chembu@bankofbaroda.com)  
**Website:** [www.bankofbaroda.com](http://www.bankofbaroda.com)  
**Contact Person:** Mr. A. Sai Kumar

*\*The company has obtained the Consent in the name of Arrowhead Separation Engineering Private Limited*



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



### **AXIS BANK LIMITED**

Fortune - 2000, GF, G Block BKC Bandra Kurla Complex Bandra East Mumbai 400051

**Tel No.:** 022 40867372

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

**Email:** [BKC.Branchhead@axisbank.com](mailto:BKC.Branchhead@axisbank.com)

**Contact Person:** Mr. Vijay Koyale

## **SELF-CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI Mechanism) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any other such website as may be prescribed by SEBI from time to time.

## **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

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

## **REGISTERED BROKERS**

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

## **REGISTRAR AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

## **INTER SE ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE**

Aryaman Financial Services Limited (AFSL) is the sole Lead Manager (LM) to the issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

## **MONITORING AGENCY**

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 Lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of 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.



## APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

## CREDIT RATING

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

## IPO GRADING

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

## GREEN SHOE OPTION

No green shoe option is applicable for the Issue.

## TRUSTEES

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

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, M/s. B B Gusani & Associates., Chartered Accountants and M/s. Abdus Samee Abdul Qadir Maniyar (A. A. Maniyar) (Advocate) to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated October 25, 2023 and Report on Statement of Tax Benefits dated October 25, 2023 and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

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

## FILING OF ISSUE DOCUMENT

The Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of Prospectus shall 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 Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to Registrar of Company, Mumbai, situated at 100, Everest, Marine Drive, Mumbai – 400 002.

## ISSUE PROGRAMME

Event	Dates
Issue Opening Date	November 16, 2023
Issue Closing Date	November 20, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	November 23, 2023
Initiation of Allotment / Refunds / Unblocking of Funds	November 24, 2023
Credit of Equity Shares to demat accounts of Allottees	November 28, 2023
Commencement of trading of Equity Shares on the Stock Exchange	November 29, 2023

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the 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.

Applications 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 (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Investor after taking into account the total number of applications received upto the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investor can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated June 23, 2023 Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Ground Floor Alkesh Dinesh Modi Marg Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Email:</b> ipo@afsl.co.in	5,28,000	1,230.24 Lakhs	94.62%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Ground Floor Alkesh Dinesh Modi Marg Opp. P. J. Towers (BSE Building), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Email:</b> aryacapm@gmail.com	30,000	69.90 Lakhs	5.38%
<b>Total</b>	<b>5,58,000</b>	<b>1,300.14 Lakhs</b>	<b>100%</b>

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.



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

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would Issue a public notice in the newspapers, in which the pre- Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## **MARKET MAKER**



### **ARYAMAN CAPITAL MARKETS LIMITED**

60, Khatau Building, Ground Floor

Alkesh Dinesh Modi Marg

Opp. P. J. Towers (BSE Building),

Fort, Mumbai – 400 001

**Tel. No.:** +91 – 22 – 6216 6999

**Email:** aryacpm@gmail.com

**Contact Person:** Mr. Harshad Dhanawade

**SEBI Registration No.:** SMEMM0651421122012

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

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with BSE to fulfill the obligations of Market Making) dated June 23, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

Aryaman Capital Markets Limited, registered with SME Platform of BSE 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 fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker 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 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 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.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.



4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. 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 or 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.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months' notice or on mutually acceptable terms to the 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 Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

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

12. 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 upto ₹ 250 Crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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



The following spread will be applicable on the SME Exchange Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

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

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

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.

On the first day of listing, there will be a pre-open session (call auction) and there after 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 Shares on the Stock Exchange.



## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to this Issue, is set forth below:

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price <sup>(2)</sup>
<b>A.</b>	<b>Authorized Share Capital</b>		
	20,00,000 Equity Shares of face value of ₹ 10 each	200.00	-
<b>B.</b>	<b>Issued, Subscribed And Paid-Up Equity Capital before the Issue</b>		
	13,13,325 Equity Shares of face value of ₹ 10 each	131.33	-
<b>C.</b>	<b>Present Issue in Terms of this Prospectus</b>		
	Issue of 5,58,000 Equity Shares of face value of ₹ 10 each <sup>(1)</sup>	55.80	1,300.14
	<i>Which Comprises:</i>		
	<b>Reservation for Market Maker portion</b>		
	30,000 Equity Shares of ₹ 10/- each at a price of ₹ 233 per Equity Share reserved as Market Maker Portion	3.00	69.90
	<b>Net Issue to the Public</b>		
	Net Issue to Public of 5,28,000 Equity Shares of ₹ 10/- each at a price of ₹ 233 per Equity Share to the Public	52.80	1,230.24
	<i>Of which<sup>(2)</sup></i>		
	2,64,000 Equity Shares of ₹ 10/- each at a price of ₹ 233 per Equity Share will be available for allocation for Investors of ₹ 2.00 lakhs	26.40	615.12
	2,64,000 Equity Shares of ₹ 10/- each at a price of ₹ 233 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	26.40	615.12
<b>D.</b>	<b>Paid-up Equity Capital after the Issue</b>		
	18,71,325 Equity Shares of face value of ₹ 10 each		187.13
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		1,244.34

<sup>(1)</sup> The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on May 29, 2023 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held on June 02, 2023.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines..

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

### CHANGES IN AUTHORIZED SHARE CAPITAL

- The Initial Authorized Share Capital of the Company was increased from ₹ 10,00,000 (Ten Lakhs) divided into 10,000 (Ten Thousand) Equity Shares of ₹ 100 each to ₹ 50,00,000 (Fifty Lakh) divided into 50,000 (Fifty



Thousand) Equity Shares of ₹ 100 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on September 15, 1993.

2. The Authorized Share Capital of the Company was increased from ₹ 50,00,000 (Fifty Lakh) divided into 50,000 (Fifty Thousand) Equity Shares of ₹ 100 each to ₹ 1,00,00,000 (One Crore) divided into 1,00,000 (One Lakh) Equity Shares of ₹ 100 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on April 29, 1995.
3. The Authorized Share Capital of the Company was increased further from ₹ 1,00,00,000 (One Crore) divided into 1,00,000 (One Lakh) Equity Shares of ₹ 100 each to ₹ 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakh) Equity Shares of ₹ 100 each pursuant to Shareholders Resolution passed at the Annual General Meeting held on September 30, 2022.
4. The Share Capital of the Company was Sub- Divided from ₹ 100 to ₹ 10 pursuant to which Authorized Share Capital changed from ₹ 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakh) Equity Shares of ₹ 100 each to ₹ 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakh) Equity Shares of ₹ 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on October 06, 2022.

## NOTES TO THE CAPITAL STRUCTURE

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

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

Year/ Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation <sup>(1)</sup>	20	100	100	Cash	Subscription to MOA	20	2,000	Nil
July 20, 1993 <sup>(2)</sup>	1000	100	100	Cash	Further Allotment	1,020	12,000	Nil
July 23, 1993 <sup>(3)</sup>	1000	100	100	Cash	Further Allotment	2,020	2,02,000	Nil
October 04, 1993 <sup>(4)</sup>	1100	100	100	Cash	Further Allotment	3,120	3,12,000	Nil
December 20, 1993 <sup>(5)</sup>	4000	100	100	Cash	Further Allotment	7,120	7,12,000	Nil
January 20, 1994 <sup>(6)</sup>	3000	100	100	Cash	Further Allotment	10,120	10,12,000	Nil
January 22, 1994 <sup>(7)</sup>	6740	100	100	Cash	Further Allotment	35,150	35,15,000	Nil
February 24, 1994 <sup>(8)</sup>	8500	100	100	Cash	Further Allotment	18,620	18,62,000	Nil
February 28, 1994 <sup>(9)</sup>	3500	100	100	Cash	Further Allotment	22,120	22,12,000	Nil
February 28, 1994 <sup>(10)</sup>	5260	100	100	Cash	Further Allotment	40,410	40,41,000	Nil
March 03, 1994 <sup>(11)</sup>	5000	100	100	Cash	Further Allotment	27,120	27,12,000	Nil
March 05, 1994 <sup>(12)</sup>	1250	100	100	Cash	Further Allotment	28,370	28,37,000	Nil
July 26, 1994 <sup>(13)</sup>	40	100	100	Cash	Further Allotment	28,410	28,41,000	Nil



Year/ Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
May 10, 1996 <sup>(14)</sup>	20,000	100	133	Cash	Further Allotment	60,410	60,41,000	6,60,000
January 09, 1997 <sup>(15)</sup>	20,410	100	133	Cash	Further Allotment	80,820	80,82,000	13,33,530
October 06, 2022 <sup>(16)</sup>	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					8,08,200	80,82,000	13,33,530
October 29, 2022 <sup>(17)</sup>	5,05,125	10	Nil	Consideration other than Cash	Bonus Issue	13,13,325	1,31,33,250	Nil

- (1) Initial Subscription to MOA of 10 Equity shares each by Ajit Mundle and Jyoti Mundle.
- (2) Allotted 500 Equity shares to Ajit Mundle and 500 shares to Jyoti Mundle.
- (3) Allotted 500 Equity shares to Ajit Mundle and 500 shares to Jyoti Mundle.
- (4) Allotted 600 Equity shares to Vijay Mundle and 500 Equity shares to Anjani Mundle.
- (5) Allotted 1,100 Equity shares to Ajit Mundle, 900 Equity shares to Jyoti Mundle and 2,000 Equity shares to Vijay Mundle.
- (6) Allotted 3,000 Equity shares to Ajit Mundle.
- (7) Allotted 6740 Equity shares to Jayant Akhave.
- (8) Allotted 3,500 Equity shares to Ajit Mundle, 4000 Equity shares to Vijay Mundle and 1,000 Equity shares to Kunal Mundle.
- (9) Allotted 3,500 Equity shares to Ajit Mundle.
- (10) Allotted 5,260 Equity shares to Jayant Akhave.
- (11) Allotted 5,000 Equity shares to Vijay Mundle.
- (12) Allotted 1,250 Equity shares to Ajit Mundle.
- (13) Allotted 20 Equity shares to Ajit Mundle and 20 shares to Jyoti Mundle.
- (14) Allotted 20,000 Equity shares to M/s. R. Simon (Dryers) Ltd.
- (15) Allotted 20,410 Equity shares to M/s. R. Simon (Dryers) Ltd.
- (16) Pursuant to resolution dated October 06, 2022, our Company has subdivided the face value of the Equity Share from ₹ 100/- to ₹ 10/- each.
- (17) Pursuant to resolution dated October 29, 2022, our Company has allotted 5,05,125 Equity shares in the proportion of 625 Equity shares for every 1,000 shares held, by capitalization of Free Reserves to Ajit Mundle (72,375 Equity shares), Jyoti Mundle (84,563 Equity shares), Anjani Mundle (89,375 Equity shares), Kunal Mundle (6,250 Equity shares), Shreenath Chaturvedi (47,950 Equity shares), Bhavna Vassa (47,950 Equity shares), Archita Gosalia (12,500 Equity shares), Amoolya Vassa (43,750 Equity shares), Meloni Shah (33,750 Equity shares), Chetan Gosalia (25,000 Equity shares), Anupam Vassa (41,662 Equity shares).

## 2. Details of Equity Shares issued for consideration other than cash or out of revaluation of reserves:

No shares have been issued by us from revaluation reserves in the past. Further except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefit accrued to Company
October 29, 2022 <sup>(1)</sup>	5,05,125	10	Nil	Bonus Issue	Expansion of Capital

<sup>(1)</sup>Pursuant to resolution dated October 29, 2022, our Company has allotted 5,05,125 Equity shares in the proportion of 625 Equity shares for every 1,000 shares held, by capitalization of Free Reserves to Ajit Mundle (72,375 Equity shares), Jyoti Mundle (84,563 Equity shares), Anjani Mundle (89,375 Equity shares), Kunal Mundle (6,250 Equity shares), Shreenath Chaturvedi (47,950 Equity shares), Bhavna Vassa (47,950 Equity shares), Archita Gosalia (12,500 Equity shares), Amoolya Vassa (43,750 Equity shares), Meloni Shah (33,750 Equity shares), Chetan Gosalia (25,000 Equity shares), Anupam Vassa (41,662 Equity shares).



3. No shares have been allotted in terms of 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 re-valued its assets and we do not have any revaluation reserves till date.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

Our Company has not issued any equity shares lower than the Issue Price during the preceding 1 (one) year



## 6. Shareholding Pattern of our Company

a) The table below presents the current shareholding pattern of our Company as on the date of this Prospectus.

Category (I)	Category of shareholder(II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Shareholding, as a % assuming full convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights			Total as a % of (A+B+C)		No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)		
								Class-Equity	Class	Total								
A	Promoters & Promoters Group	4	6,56,663	-	-	6,56,663	50.00%	6,56,663	-	6,56,663	50.00%	-	50.00%	-	-	-	-	6,56,663
B	Public	7	6,56,662	-	-	6,56,662	50.00%	6,56,662	-	6,56,662	50.00%	-	50.00%	-	-	-	-	5,59,162
C	Non Promoters Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>11</b>	<b>13,13,325</b>	<b>-</b>	<b>-</b>	<b>13,13,325</b>	<b>100.0%</b>	<b>13,13,325</b>	<b>-</b>	<b>13,13,325</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,15,825</b>



- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Prospectus

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Ajit Mundle	1,88,175	14.33%
2.	Jyoti Mundle	2,19,863	16.74%
3.	Anjani Mundle	2,32,375	17.69%
4.	Kunal Mundle	16,250	1.24%
5.	Shreenath Chaturvedi	1,24,670	9.49%
6.	Bhavna Vassa	1,24,670	9.49%
7.	Amoolya Vassa	1,13,750	8.66%
8.	Anupam Vassa	1,08,322	8.25%
9.	Meloni Shah	87,750	6.68%
10.	Chetan Gosalia	65,000	4.95%
11.	Archita Gosalia	32,500	2.47%
<b>Total</b>		<b>13,13,325</b>	<b>100%</b>

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Ajit Mundle	1,88,175	14.33%
2.	Jyoti Mundle	2,19,863	16.74%
3.	Anjani Mundle	2,32,375	17.69%
4.	Kunal Mundle	16,250	1.24%
5.	Shreenath Chaturvedi	1,24,670	9.49%
6.	Bhavna Vassa	1,24,670	9.49%
7.	Amoolya Vassa	1,13,750	8.66%
8.	Anupam Vassa	1,08,322	8.25%
9.	Meloni Shah	87,750	6.68%
10.	Chetan Gosalia	65,000	4.95%
11.	Archita Gosalia	32,500	2.47%
<b>Total</b>		<b>13,13,325</b>	<b>13,13,325</b>

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Ajit Mundle	1,88,175	14.33%
2.	Jyoti Mundle	2,19,863	16.74%
3.	Anjani Mundle	2,32,375	17.69%
4.	Kunal Mundle	16,250	1.24%
5.	Shreenath Chaturvedi	1,24,670	9.49%
6.	Bhavna Vassa	1,24,670	9.49%
7.	Amoolya Vassa	1,13,750	8.66%
8.	Anupam Vassa	1,08,322	8.25%
9.	Meloni Shah	87,750	6.68%
10.	Chetan Gosalia	65,000	4.95%
11.	Archita Gosalia	32,500	2.47%
<b>Total</b>		<b>13,13,325</b>	<b>100%</b>



- e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share capital (%)
1.	Ajit Mundle	11,580	14.33%
2.	Jyoti Mundle	13,530	16.74%
3.	Anjani Mundle	2,300	2.84%
4.	Kunal Mundle	1,000	1.24%
5.	Jayant Akhave	12,000	14.85%
6.	R. Simon (Dryers) Limited	40,410	50.00%
<b>Total</b>		<b>80,820</b>	<b>100%</b>

- f) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
- g) Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion except the unsecured loans with an option to convert into equity shares as stated under “Notes to the capital structure - Note 1 of Capital Structure” beginning form page no.129.

7. Except as disclosed in this Prospectus, our Company does 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. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

## 8. Shareholding of our Promoters

- a) Build-up of the shareholding of our Promoters in our Company since incorporation

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
<b>Ajit Mundle</b>								
Upon Incorporation	Subscription to MOA	Cash	10	100	100	10	-	-
July 20, 1993	Further Allotment	Cash	500	100	100	510	-	-
July 23, 1993	Further Allotment	Cash	500	100	100	1010	-	-
December 20, 1993	Further Allotment	Cash	1,100	100	100	2,110	-	-
January 20, 1994	Further Allotment	Cash	3,000	100	100	5,110	-	-
February 24, 1994	Further Allotment	Cash	3,500	100	100	8,610	-	-
February 28, 1994	Further Allotment	Cash	3,500	100	100	12,110	-	-
March 05, 1994	Further Allotment	Cash	1,250	100	100	13,360	-	-



ARROWHEAD

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
July 26, 1994	Further Allotment	Cash	20	100	100	13,380	-	-
January 01, 1997	Transfer	Cash	(1800)	100	100	11,580	-	-
October 06, 2022	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					1,15,800	8.82%	6.19%
October 29, 2022	Further Allotment	Nil	72,375	10	Nil	1,88,175	5.51%	3.87%
<b>Jyoti Mundle</b>								
Upon Incorporation	Subscription to MOA	Cash	10	100	100	10	-	-
July 20, 1993	Further Allotment	Cash	500	100	100	510	-	-
July 23, 1993	Further Allotment	Cash	500	100	100	1010	-	-
December 20, 1993	Further Allotment	Cash	900	100	100	1,910	-	-
July 26, 1994	Further Allotment	Cash	20	100	100	1,930	-	-
April 27, 2008	Transfer	Cash	11,600	100	100	13,530	-	-
October 06, 2022	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					1,35,300	10.30%	7.23%
October 29, 2022	Further Allotment	Nil	84,563	10	Nil	2,19,863	6.44%	4.52%

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

b) Pre-Issue and Post-Issue Shareholding of our, Promoters and Promoters Group

Category of Promoters	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>Promoters</b>				
Ajit Mundle	<b>188,175</b>	14.33%	<b>188,175</b>	10.06%
Jyoti Mundle	<b>219,863</b>	16.74%	<b>219,863</b>	11.75%
<b>Promoters Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)</b>				



Category of Promoters	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
Anjani Mundle	232,375	17.69%	232,375	12.42%
Kunal Mundle	16,250	1.24%	16,250	0.87%
<b>Total Promoters &amp; Promoters Group Holding</b>	<b>6,56,663</b>	<b>50.00%</b>	<b>6,56,663</b>	<b>35.09%</b>
<b>Total Paid up Capital</b>	<b>13,13,325</b>	<b>100.00%</b>	<b>18,63,325</b>	<b>100.00%</b>

All Equity Shares held by the Promoters have been dematerialised as on date of this Prospectus.

9. Our Company has Eleven (11) shareholders, as on the date of this Prospectus.

10. We hereby confirm that:

- None of the members of the Promoters, Promoters Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Prospectus.
- None of the members of the Promoters Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Prospectus.

#### 11. Promoter's Contribution and Lock-in details

a) Details of Promoter's Contribution locked-in for three (3) years

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

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of the Promoters	Number of shares locked-in <sup>(1)</sup>	As a % of Post Issue Share Capital
Ajit Mundle	1,76,106	9.41%
Jyoti Mundle	2,07,794	11.11%
<b>Total</b>	<b>3,83,900</b>	<b>20.52%</b>

<sup>(1)</sup> For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer "Notes to Capital Structure" on page no. 52 of this Prospectus

We confirm that in compliance with Regulation 237 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.



**We further confirm that our Promoters Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

a) *Details of share capital locked-in for one (1) year*

- i) Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoters Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue
- ii) Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- iii) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoters Group or to a new promoters 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- iv) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

12. Neither the Company, nor it's Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
13. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares
14. As on the date of this Prospectus, the Lead Manager or its subsidiaries do not hold any Equity Shares of our Company. However, one of the Non-Executive director of the Lead Manager along with her maternal family members holds 14.11% of Pre Issue Equity share capital of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in investment banking transactions with our Company for which they may in the future receive customary compensation.
15. As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
16. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "*Issue Procedure*" beginning on page no. 190 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
17. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.



- 18.** Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- 19.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 20.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 21.** Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoters Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 22.** Our Promoters and Promoters Group will not participate in the Issue.



## SECTION V- PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of Fresh Issue by our Company.

#### Issue Proceeds and Net Issue Proceeds

The details of the proceeds of the Issue are set forth in the table below:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	1,300.14
Less: Issue related expenses <sup>(1)</sup>	130.00
<b>Net Proceeds of the Issue</b>	<b>1,170.14</b>

<sup>(1)</sup> The Issue expenses are estimated expenses and subject to change.

#### Net Issue

Our Company proposes to utilize the Net Proceeds from Issue towards funding the following objects (collectively, referred to herein as the “Objects”):

1. Repayment of Loan from NBFC’s;
2. Funding Working capital requirements;
3. General Corporate Purpose;

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange including to enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

#### Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue (“Net Proceeds”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2023-24
1.	Repayment of Loan from NBFC’s	200.00	200.00
2.	Funding Working capital requirements	650.00	650.00
3.	General Corporate Purpose	320.14	320.14
<b>Total</b>		<b>1,170.14</b>	<b>1,170.14</b>

#### Requirements of Funds and Means of Finance

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, quotations from suppliers, and other commercial and technical factors. 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 suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment and other external factors including changes in the price of the equipment due to variation in commodity prices which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, subject to compliance with applicable law. For further details, see “Risk Factors” – The deployment of the Net Proceeds from the Fresh Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company’s management will have flexibility in utilizing the Net



Proceeds from the Fresh Issue. Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Fiscals towards the aforementioned objects

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/ or debt, as required. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations.

## DETAILS OF THE FUND REQUIREMENTS

### 1. Repayment of Loan from NBFC's

Our Company has entered into various borrowing arrangements with Banks and NBFC's. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 161 of Prospectus.

Our Company intends to utilize ₹ 200.00 lakhs from the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount and the accrued interest thereon in case of below stated loan availed by our Company. We believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

As on September 30, 2023, our company has outstanding loan of ₹ 200.00 lakhs from Abans Finance Pvt Ltd as confirmed by our statutory auditor M/s B B Gusani & Associates, Chartered Accountants, vide certificate dated October 25, 2023. This loan carries interest of 12% p.a. M/s B B Gusani & Associates, Chartered Accountants have further confirmed that this loan was mainly utilized for working capital purposes.

The details of the outstanding loan proposed for repayment are set below:

(₹ in lakhs)

Sr. No	Name of the lender	Amount outstanding as on September 30, 2023	Amount outstanding as on June 30, 2023	Amount proposed to be repaid
1.	Abans Finance Pvt Ltd	200.00	200.00	200.00
	<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>

As on the date of this Prospectus, Our Company has not repaid any of these loans. However, we may repay the above loans, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be recouped from the proceeds of the Fresh Issue.

### 2. Funding Working Capital Requirements

Our Company requires additional working capital on account of expected increase in sales and raw material prices for the existing manufacturing business. Product range includes Drum Dryer, Rotary Dryer, Flaker Systems and Zero-Liquid Discharge Systems. This equipment takes 3-4 months to develop. For smooth flow of production, we keep all the raw materials and bought in product in our inventory. Our raw materials purchase mainly includes Steel, Angle, bar, Channel which require us to timely pay our suppliers, firstly to avoid fluctuation in availability and changes in rates which can increase our cost. So as to complete the manufacturing of single equipment our working capital gets tied for longer time period. Our customers include some large companies, to whom we need to give a certain higher credit period in order to remain in competitive market, thus affecting our working capital requirement. We believe that funding our working capital requirements from the Issue Proceeds will lead to a consequent increase in our profitability due to saving in the raw material cost as Company can negotiate favorable terms with the suppliers.



Our Company proposes to utilize ₹ 650.00 lakhs of the Net Proceeds for our working capital requirements. The amount will be utilized during Fiscal 2023-24 towards our Company's working capital requirements. The balance portion of our Company working capital requirements shall be met from the debt facilities availed from banks and internal accruals.

### Working Capital and source of funding

The details of our Company's existing working capital gap and source of their funding, based on restated financial for the Financial Year 2021, 2022 & 2023 and the incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated October 25, 2023 and key assumptions with respect to the determination of the same are mentioned below

(₹ in lakhs)

Sr. No.	Particulars	Financial Year 2020-21 (Restated)	Financial Year 2021-22 (Restated)	Financial Year 2022-23 (Restated)	Financial Year 2023-24 (Projected)
<b>I.</b>	<b>Current Assets:</b>				
1.	Inventories	637.41	933.48	843.78	1,205.75
2.	Trade Receivables	649.44	644.68	899.85	1,257.53
3.	Other Current Assets	69.85	129.95	200.56	251.85
	<b>Total Current Assets (A)</b>	<b>1,356.70</b>	<b>1,708.11</b>	<b>1,944.19</b>	<b>2,715.14</b>
<b>II.</b>	<b>Current Liabilities</b>				
1.	Trade Payables	307.31	286.78	376.49	351.00
2.	Other Current Liabilities and Short-Term Provisions	467.49	648.69	496.39	623.34
	<b>Total Current Liabilities (B)</b>	<b>774.80</b>	<b>935.47</b>	<b>872.88</b>	<b>974.34</b>
<b>III.</b>	<b>Total Working Capital Gap (A – B)</b>	<b>581.90</b>	<b>772.64</b>	<b>1,071.31</b>	<b>1,740.80</b>
<b>IV.</b>	<b>Funding Pattern:</b>				
1.	Funding Facilities from Banks/ Financial Institutions <sup>(1)</sup>	518.32	473.59	618.78	610.00
2.	Owned Funds <sup>(2)</sup>	63.58	299.05	452.53	480.80
3	Part of the Net proceeds to be utilized				<b>650.00</b>

<sup>(1)</sup> Our total sanctioned funding facilities as on June 30, 2023 amounts to ₹ 610.00 lakhs from banks and financial institutions.

<sup>(2)</sup> The Statutory Auditors of the Company, M/s B B Gusani & Associates., Chartered Accountants, vide their certificate dated October 25, 2023 have confirmed that the Company's 'Owned Funds' as on June 30, 2023 and March 31, 2023, aggregates to ₹ 538.77 lakhs and ₹ 473.89 lakhs respectively.

Our Statutory Auditor has, pursuant to a certificate dated October 25, 2023, certified the working capital requirements of our Company for the Financial Year 2023-24.



### Justification for holding period levels

Particulars	Details
<b>Current Assets</b>	
Inventories	Inventories include raw material, work in progress and consumables. In Fiscal 2023, Fiscal 2022 and Fiscal 2021 our receivable days were 143, 313 and 255 days respectively. Raw materials are procured from various suppliers and accordingly we need to store it at our facility as per production schedule. The availability, quality and condition of material are critical to us, due to which our requirement for smooth fund flow is high. Our Company estimates inventories holding period to be 163 days for Fiscal 2024.
Trade Receivables	In Fiscal 2023, Fiscal 2022 and Fiscal 2021 our receivable days were 153, 216 and 260 days respectively. Our product is a part of our customer's large plant and therefore it takes time for them to trial run and release our fund. Therefore, our fund gets tied up in the process. We even endeavour to on-board new customers in domestic as well as international geographies which amongst other things, may require us to provide better credit terms to our customers. With the current trends in business, the holding level for debtor is expected to be 170 days for Fiscal 2024.
<b>Current Liabilities</b>	
Trade Payables	In Fiscal 2023, Fiscal 2022 and Fiscal 2021 our trade payables were 104, 187 and 182 days respectively. Our Company intends to improve our relations and ensure timely supply which will require us to have ready inventory and paying the Creditors in short period of time will enable us to avail various trade discounts and better margins. Accordingly, we estimate that the Trade Payables be paid within a cycle of approximately 73 days for Fiscal 2024.

### 3. General Corporate Purpose

Our management will have flexibility to deploy ₹ 320.14 lakhs, aggregating to 24.62% of the Gross Proceeds towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and strategic entity/ business acquisitions, reduction of debt level, branding, marketing, new client referral fees meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230(2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

### ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ 130.00 Lakhs, which is 10.00% of the total Issue Size. The details of the Issue Expenses are tabulated below:

(₹ in lakhs)				
Sr. No.	Particulars	Amount (₹ in lakhs) <sup>(1)</sup>	% of Total Expenses <sup>(1)</sup>	% of Total Issue size <sup>(1)</sup>
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	57.90	44.54%	4.45%
2	Brokerage and selling commission <sup>(1)(2)(3)</sup>	60.60	46.62%	4.66%
3	Printing & Stationery, Distribution, Postage, etc.	1.50	1.15%	0.12%
4	Advertisement and Marketing Expenses	1.50	1.15%	0.12%



Sr. No.	Particulars	Amount (₹ in lakhs) <sup>(1)</sup>	% of Total Expenses <sup>(1)</sup>	% of Total Issue size <sup>(1)</sup>
5	Stock Exchange Fees, Regulatory and other Expenses	8.50	6.54%	0.65%
	<b>Total</b>	<b>130.00</b>	<b>100%</b>	<b>10%</b>

<sup>(1)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ 5/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup> The SCSBs would be entitled to processing fees of ₹ 5 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

### Appraisal and Bridge Loans

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

### Year wise Deployment of Funds / Schedule of Implementation

As on the date of this Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2023-24.

### Monitoring of Utilization of Funds

Since the proceeds from the Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company 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 unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

### Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be



published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

**Other Confirmations / Payment to Promoter and Promoter's Group from the IPO Proceeds**

There are no anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Directors and Key Managerial Personnel. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Board of Directors, our Key Management Personnel or Enterprise in which our KMP's has significant influence except in the normal course of business in compliance with applicable law.



## BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹233 per Equity Shares and is 23.3 times of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” beginning on page nos. 129 and 90 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

1. Customized product for each client
2. Qualified and Experienced Executive Directors
3. Relationship with Customers & Suppliers
4. Location of Manufacturing Unit
5. Wide range of products

For more details on qualitative factors, refer to chapter “Our Business” on page no 90 of this Prospectus.

### Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements as Restated” on page no. 129 of this Prospectus.

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

#### 1. Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weights
2023	12.88	3
2022	0.70	2
2021	(13.64)	1
<b>Weighted Average</b>		<b>4.40</b>
<b>June 30, 2023*</b>		<b>4.90</b>

<sup>(1)</sup> Based on Restated Financials of our Company

\*Not Annualised

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounting) Rules, 2014.



d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 129 Prospectus.

## 2. Price Earnings Ratio (“P/E”) in relation to the Price of ₹233 per share of ₹ 10 each

Particulars	P/E Ratio*
P/E ratio based on Basic and Diluted EPS as at March 31, 2023	18.09
P/E ratio based on Weighted Average EPS	52.95

Industry P/E Ratio*	P/E Ratio
Highest- Yuken India Ltd	147.3
Lowest- TRF Ltd	3.3
Industry Average	30.90

\*For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.

(Source: October 30- November 12 Capital Market, Vol. XXXVIII/19; Segment: Engineering)

## 3. Return on Net worth (RoNW)

Year ended March 31,	RoNW (%) <sup>(1)</sup>	Weight
2023	68.75%	3
2022	11.87%	2
2021	(263.19%)	1
<b>Weighted Average</b>		<b>-5.53%</b>
<b>June 30, 2023</b>		<b>20.73%</b>

<sup>(1)</sup> Based on Restated Financials of our Company

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

## 4. Net Asset Value (NAV) based on actual no. of equity shares at the end of the year

Financial Year	NAV (₹)
NAV as at March 31, 2023	18.74
NAV as at June 30, 2023	23.84
NAV after Issue	86.06
Issue Price (₹)	233

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

## 5. Key Performance Indicator

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated – October 25, 2023 and the Audit Committee has confirmed that it has verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Prospectus, if any. During the three years period prior to the date of filing of this Prospectus, no fresh allotment was made except for issuance of equity shares on bonus issue as disclosed in this section and section entitled “Capital Structure” on page no 52 of this Prospectus. Further, the KPIs herein have been certified by M/s. B.B Gusani & Associates. Statutory Auditor, by their certificate dated October 25, 2023 For further details, please refer to the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of



Operations” beginning on pages 90 and 209 respectively. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the section “Objects of the Offer”, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations as amended from time to time.

(₹in lakhs)

Particulars	For the period ended June 30, 2023	For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
Revenue from Operations	872.26	2150.10	1087.13	912.29
EBITDA <sup>(1)</sup>	112.69	320.58	107.71	(43.90)
EBITDA Margin (%) <sup>(2)</sup>	12.92%	14.91%	9.91%	(4.81%)
Restated profit for the period / year	64.34	169.18	9.17	(179.19)
Restated profit for the period / year Margin (%) <sup>(3)</sup>	7.38%	7.87%	0.84%	(19.64%)
Return on Average Equity ("RoAE") (%) <sup>(4)</sup>	92.49%	104.65%	12.62%	(95.99%)
Return on Capital Employed ("RoCE") (%) <sup>(5)</sup>	37.39%	30.94%	13.17%	(7.55%)
Net Debt / EBITDA Ratio	7.15	2.28	6.01	(10.59)

**Notes:**

<sup>(1)</sup> EBITDA is calculated as restated profit for the year / period plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.

<sup>(2)</sup> EBITDA Margin is calculated as EBITDA divided by revenue from operations.

<sup>(3)</sup> Restated profit for the year / period margin is calculated as restated profit for the year / period divided by revenue from operations.

<sup>(4)</sup> RoAE is calculated as Net profit after tax divided by Average Equity.

<sup>(5)</sup> RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed.

Explanation for the Key Performance Indicators

**Revenue from operations:** Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.

**EBITDA:** EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.

**EBITDA margin:** EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes.

**Restated profit for the year / period:** Restated profit for the year / period represents the profit / loss that our Company makes for the financial year or during the a given period. It provides information regarding the profitability of the business of our Company.

**Restated profit for the year / period margin:** Restated profit for the year / period Margin is the ratio of Restated profit for the year / period to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.

**Return on Average Equity ("RoAE"):** RoAE refers to Restated profit for the year / period divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period. RoAE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoAE is indicative of the profit generation by our Company against the equity contribution.



**Return on Capital Employed (“RoCE”):** RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoCE is indicative of the profit generation by our Company against the capital employed.

**Net Debt/ EBITDA:** Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

## 6. Past Allotments/Transfers

- a) There has been no issuance of Equity Shares or convertible securities, (excluding the shares issued under issuance of bonus shares), during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions.
- b) Except as disclosed below, there have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days. Following are the details of such transfer

Date of Transfer	No of Equity shares	Price per Equity Shares	Total Consideration (in lakhs)
August 11, 2022	4,04,100	4.37	28.69
August 12, 2022	4,04,100	4.62	30.31
September 29, 2022	1,20,000	4.62	9.00

\* After taking into consideration of sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each share on Oct 06, 2022.

\*\* After taking into consideration of sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each share on Oct 06, 2022 and subsequent bonus shares issued on Oct 29, 2022.

Types of transactions	Weighted average cost of acquisition (₹. per Equity Shares)	Issue Price (233 per Equity Share)
Weighted average cost of acquisition of primary / new issue as per paragraph 6 (a) above	N.A*	N.A
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 6 (b) above	4.51	51.68 times

\* No primary transaction (except Bonus Issue), hence NA.

\*\* After taking into consideration of sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each share on October 06, 2022 and subsequent bonus shares issued on October 29, 2022.

## 7. Comparison with Industry Peers

**Peer Group Comparison of Accounting Ratios:**

Particulars	CMP*	EPS (₹)		PE Ratio		RONW (%)	NAV per share(₹)	Face Value (₹)	Revenue from Operations (₹in Lakhs)
		Basic	Diluted	Basic	Diluted				
Arrowhead Separation Engineering Limited <sup>(i)</sup>	233.00	12.88	12.88	18.09	18.09	68.75%	18.74	10.00	2,150.10
<b>Peer Group **</b>									
Kilburn	228.45	8.66	8.66	26.38	26.38	26.76%	29.46	10.00	22,153.00



Particulars	CMP*	EPS (₹)		PE Ratio		RONW (%)	NAV per share(₹)	Face Value (₹)	Revenue from Operations (₹in Lakhs)
		Basic	Diluted	Basic	Diluted				
Engineering Ltd									
Praj Industries Ltd	535.55	13.05	13.05	17.92	17.92	22.09%	58.68	2.00	3,52,803.78

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

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

**Notes:**

- (i) The figures of Arrowhead Separation Engineering Limited are based on restated financial statements for the year ended March 31, 2023.
- (ii) Current Market Price (CMP) is the closing price of peer group scripts as on October 31, 2023.
- (iii) The figures for the peer group are based on the Financial Results Summary for the year ended March 31, 2023.

8. The face value of our share is ₹10.00 per share and the Issue Price is of ₹ 233 per share are 23.3 times of the face value.
9. The Company in consultation with the Lead Manager believes that the Issue price of ₹ 233 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 23.3 times of the face value i.e. ₹ 233 per share.



## STATEMENT OF TAX BENEFITS

To,  
**The Board of Directors,**  
**Arrowhead Separation Engineering Limited**  
Survey No 39, Village Mundhegaon,  
Tal Igatpuri, Nashik-422403

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Arrowhead Separation Engineering Limited and its shareholders prepared in accordance with 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”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”). For inclusion in the Prospectus for the proposed offer of equity shares of the company’s required under the provisions of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amendment (the “Regulations”).

These possible special tax benefits are dependent on the Company and/ or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfill. The Company does not have any subsidiary as on date of the Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Prospectus in connection with the proposed initial public offering of the Company.



Yours faithfully,

**For B B Gusani & Associates.**  
**Chartered Accountants**  
**FRN: 140785W**

Sd/-

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**CA Bhargav Gusani**  
**Proprietor**  
**Membership No: 120710**  
**Place: Jamnagar**  
**Date: October 25, 2023**  
**UDIN: 23120710BGTXMT1844**



**Annexure:**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS.**

Outlined below are the possible special tax benefits available to **Arrowhead Seperation Engineering Limited** ("the **Company**") and to its Shareholders under the Direct and Indirect Tax Laws in force in India.

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

**1. Direct Tax**

There are no special direct tax benefits available to the Company.

**2. Indirect Tax**

There are no special indirect tax benefits available to the Company.

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

**1. Direct Tax**

There are no special direct tax benefits available to the Shareholders of the Company.

**2. Indirect Tax**

There are no special indirect tax benefits available to the Shareholders of the Company.



## SECTION VI – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, publically available documents and industry sources. Neither we nor any other person connected with the Issue have verified this information. 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. 21 and 129 of this Prospectus.*

### GLOBAL ECONOMIC OVERVIEW

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks most notably, the COVID-19 pandemic and Russia’s invasion of Ukraine manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable.

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation’s return to target is unlikely before 2025 in most cases.

In the latest forecast, global growth will bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent this year and 4.9 percent in 2024.

With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022 central banks’ tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia’s war in Ukraine, and China’s economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

# Latest World Economic Outlook Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2022	2023	2024
<b>World Output</b>	<b>3.4</b>	<b>2.8</b>	<b>3.0</b>
<b>Advanced Economies</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Germany	1.8	-0.1	1.1
France	2.6	0.7	1.3
Italy	3.7	0.7	0.8
Spain	5.5	1.5	2.0
Japan	1.1	1.3	1.0
United Kingdom	4.0	-0.3	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.0</b>	<b>3.9</b>	<b>4.2</b>
Emerging and Developing Asia	4.4	5.3	5.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging and Developing Europe	0.8	1.2	2.5
Russia	-2.1	0.7	1.3
Latin America and the Caribbean	4.0	1.6	2.2
Brazil	2.9	0.9	1.5
Mexico	3.1	1.8	1.6
Middle East and Central Asia	5.3	2.9	3.5
Saudi Arabia	8.7	3.1	3.1
Sub-Saharan Africa	3.9	3.6	4.2
Nigeria	3.3	3.2	3.0
South Africa	2.0	0.1	1.8
<b>Memorandum</b>			
Emerging Market and Middle-Income Economies	3.9	3.9	4.0
Low-Income Developing Countries	5.0	4.7	5.4

Source: IMF, *World Economic Outlook*, April 2023

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/2023 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.4 percent in 2023 and 6.3 percent in 2024 based on calendar year.



## INDIAN ECONOMIC OVERVIEW

### Industry: Steady Recovery

- Overall Gross Value Added (GVA) by the Industrial Sector (for the first half of FY23) rose 3.7% which is higher than the average growth of 2.8% achieved in the first half of the last decade.
- Robust growth in Private Final Consumption Expenditure, export stimulus during the first half of the year, increase in investment demand triggered by enhanced public capex and strengthened bank and corporate balance sheets have provided a demand stimulus to industrial growth.
- The supply response of the industry to the demand stimulus has been robust.
- PMI manufacturing has remained in the expansion zone for 18 months since July 2021, and the Index of Industrial Production (IIP) grows at a healthy pace.
- Credit to Micro, Small and Medium Enterprises (MSMEs) has grown by an average of around 30% since January 2022 and credit to large industries has been showing double-digit growth since October 2022.
- Electronics exports rise nearly threefold, from US\$ 4.4 billion in FY19 to US\$ 11.6 Billion in FY22.
- India has become the second-largest mobile phone manufacturer globally, with the production of handsets going up from 6 crore units in FY15 to 29 crore units in FY21.
- Foreign Direct Investment (FDI) flows into the Pharma Industry have risen four times, from US\$ 180 million in FY19 to US\$ 699 million in FY22.
- The Production Linked Incentive (PLI) schemes were introduced across 14 categories, with an estimated capex of ₹ 4 lakh crore (US\$ 48.8 billion) over the next five years, to plug India into global supply chains. Investment of ₹ 47,500 crore (US\$ 5.8 billion) has been seen under the PLI schemes in FY22, which is 106% of the designated target for the year. Production/sales worth ₹ 3.85 lakh crore (US\$ 47 billion) and employment generation of 3.0 lakh have been recorded due to PLI schemes.
- Over 39,000 compliances have been reduced and more than 3,500 provisions decriminalized as of January 2023.

(Source: <https://www.ibef.org/economy/economic-survey-2022-23>)

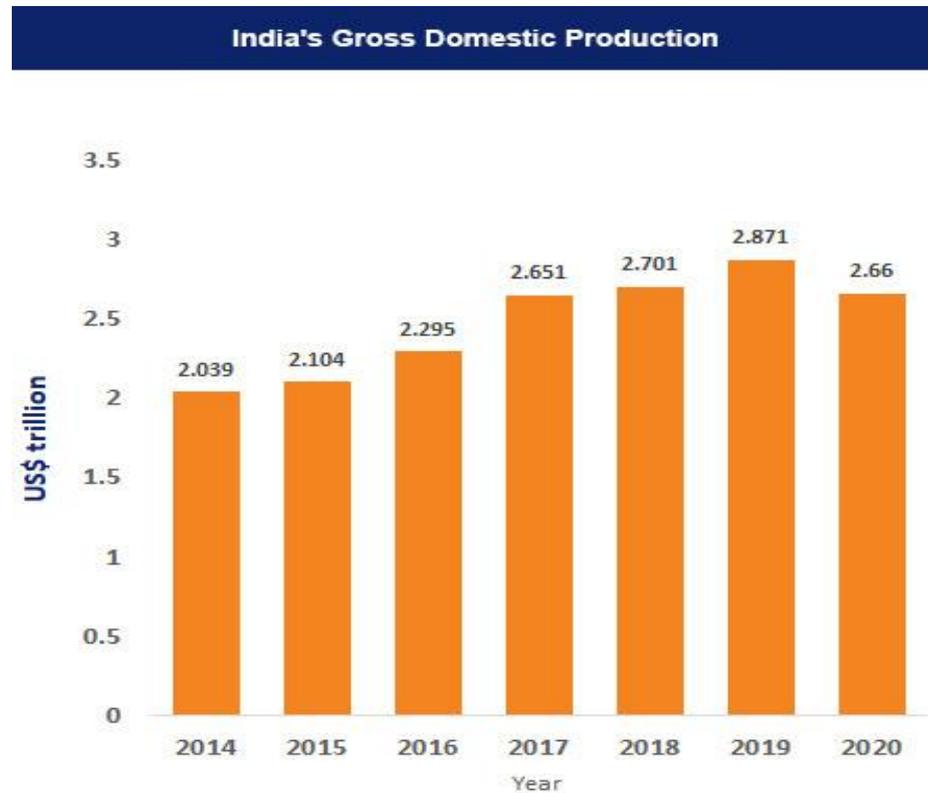
### ECONOMIC GROWTH

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalization of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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.

## MARKET SIZE



India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

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

## RECENT DEVELOPMENTS

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

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.



- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022.
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at ₹n147,686 crore (US\$ 17.92 billion).
- Between April 2000 - June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at ₹n58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of ₹h2.37 lakh crore (US\$ 31.74 billion) to their accounts.

## ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## INDIAN MANUFACTURING SECTOR

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market. Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.



India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub. With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025. India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains. A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

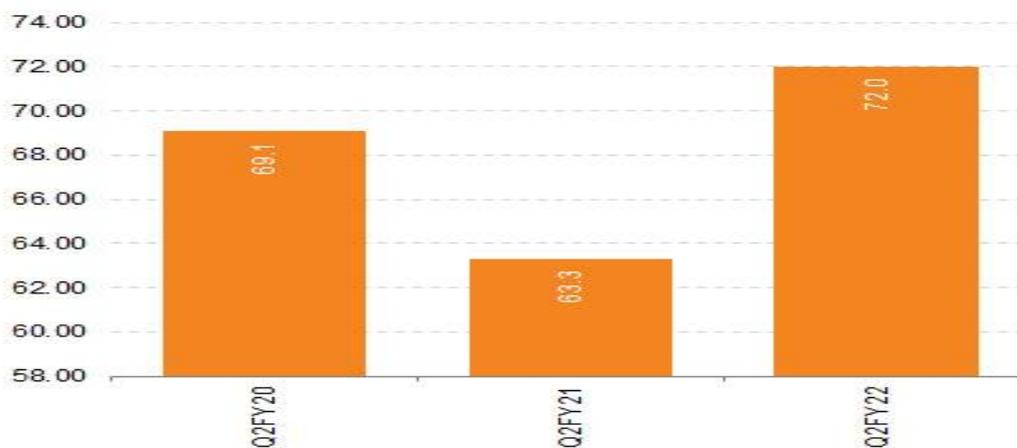
Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry. 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

India's manufacturing exports for FY22 reached an unprecedented US\$ 418 billion, an overall growth of more than 40% compared to the US\$ 290 billion from the previous year. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%

India's gross domestic product (GDP) at current prices stood at ₹51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 77.47 billion in the third quarter of FY22 and has contributed around 16.3% to the nominal GVA of during the past ten years. India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025. As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.

Capacity Utilisation in Manufacturing Sector (in %)





## GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

In the Union Budget 2023-24:

- ❖ Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023 to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
- ❖ To avoid cascading of taxes on blended compressed natural gas, excise duty on GST-paid compressed bio-gas contained in it has been exempted from excise duty. Customs duty exemption has been extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.
- ❖ In September 2022, the National Logistics Policy was launched by Prime Minister Mr. Narendra Modi which ensures quick last mile delivery, end transport-related challenges.
- ❖ In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of ₹ 10,683 crore (US\$ 1.45 billion).
- ❖ India outlines a plan in August 2021 to reach its goal of US\$ 1 trillion in manufactured goods exports.
- ❖ In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
- ❖ The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
- ❖ In the Union Budget 2022-23:

Ministry of Defence has been allocated ₹ 525,166 crore (US\$ 67.66 billion)

The government allocated ₹ 2,403 crore (US\$ 315 million) for Promotion of Electronics and IT Hardware Manufacturing.

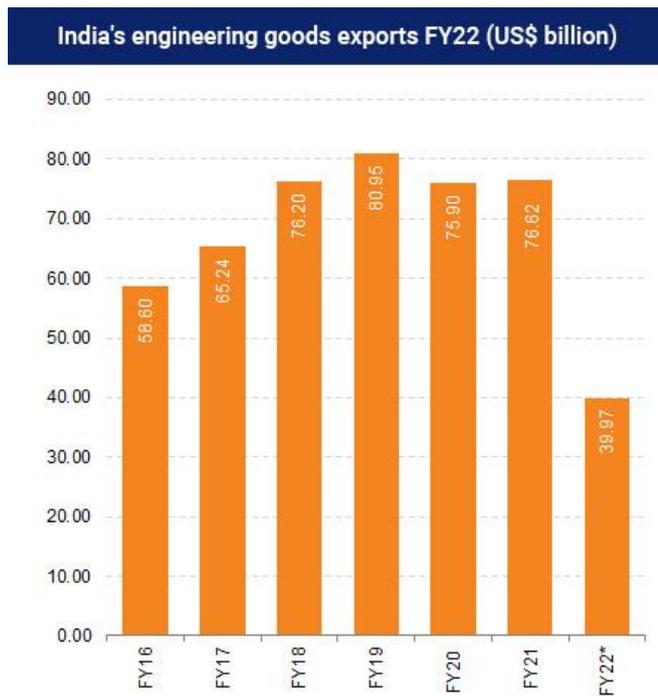
(Source: <https://www.ibef.org/industry/manufacturing-sector-india>)

## INDIAN ENGINEERING SECTOR

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed a remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

## MARKET SIZE



## PROCESS EQUIPMENT- GLOBAL MARKET OVERVIEW

Process equipment is used in processing industries like cement, sugar, pharmaceutical, textile, steel, food, chemicals, petro, refinery, paper, and power. These are employed in many processes in industries like water treatment, steam power generation, pipelines, and saltwater disposal. The equipment parts are manufactured or prepared by considering factors like improving quality and reliability, making operations more energy-efficient, reducing emissions and other environmental impacts, improving safety, and making plants and processes more accessible.

The primary factor driving the market growth is increasing industrialization and globalization across the globe and growing markets of major countries like India and China. The increase in government initiatives and plans for expanding the industrial sector and financial help in upgrading the advanced technology are driving the market growth. The increase in the adoption of wireless technologies and current technological developments will increase the market growth.

The increasing demand for green products and energy-efficient solutions and inventions in sensor, communication, analytic, and touch screen technologies are driving the market growth. The expansion of wireless technologies and the innovation of new products strengthen the demand for the Process Equipment Market. Increasing manufacturing capabilities include increased demand in many industries like food and biopharmaceutical industries. High implementation and maintenance costs, increased initial investments, and improved dependency on the real estate industry cycle are the factors restraining market growth.

The process equipment manufacturers benefit many sectors, like mining, chemicals, pharmaceuticals, food and beverage, and power, metals, oil, and gas extraction industries. Fundamental challenges encountered by the Process Equipment Market contain a lack of open standards, unfavourable weather conditions, little functionality, and fusing disparate systems. The rapid growth of the manufacturing sector and globalization offer extensive new opportunities to the equipment manufacturer.

(Source: <https://www.verifiedmarketresearch.com/product/process-equipment-market/>)

## INDUSTRIAL DRYER MARKET OVERVIEW

Drying is an integral part of the process industry. Drying is used in the manufacturing of products. There are several industrial dryers available in the global market and they are vividly used in multiple industries. Flash dryer and Vacuum pump dryer are at a slow growing stage in the product lifecycle owing to limited use in the industry. On



the other hand, Rotary dryers which find application in construction materials, minerals, chemical industries etc. have reached a maturity stage whereas Fluidized bed dryer and Spray dryer are at a growing stage of the product lifecycle.

The average replacement rate of industrial dryers per year is expected to be around 7% to 9%. The global industrial dryer market was estimated to be valued at more than US\$ 2,500 million by 2016 end and is expected to touch nearly US\$ 3,415 million by the end of 2024, expanding at a CAGR of 3.5% over the forecast period. The global industrial dryer market is projected to represent incremental opportunity of more than US\$ 830 million between 2016 and 2024.

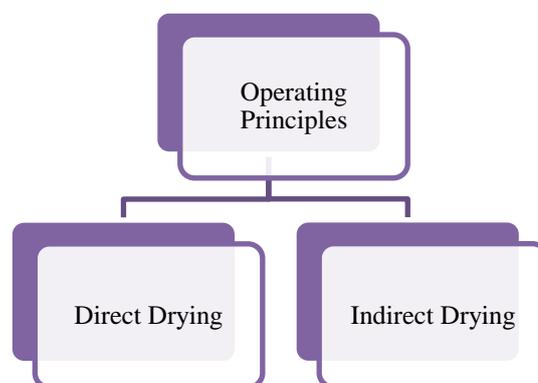
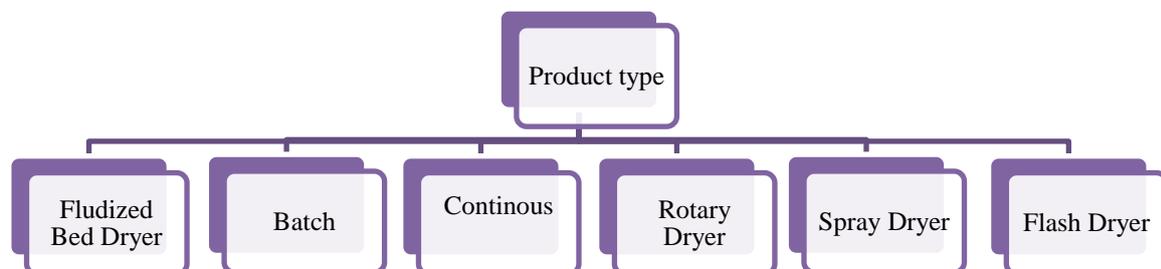
Increased demand for industrial dryers from the food and chemicals industry in North America is expected to propel the demand for industrial dryers in future. The market for industrial dryers in this region was likely to be valued in excess of US\$ 700 million by the end of 2016 and is expected to increase at a CAGR of 3.9% within the assessment period.

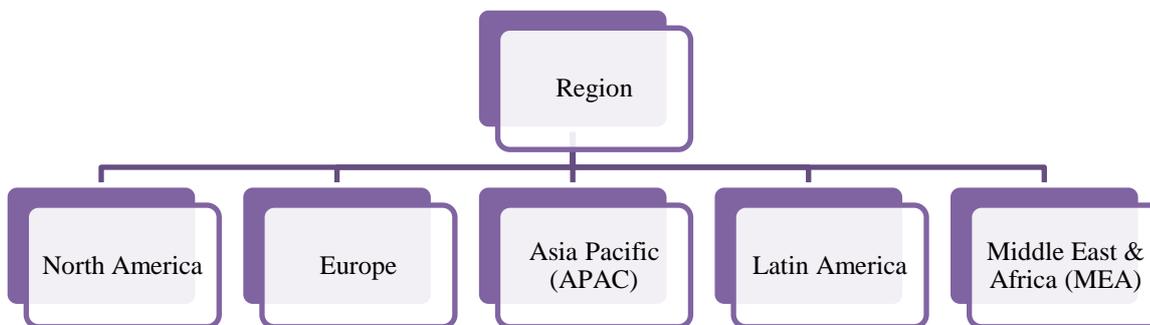
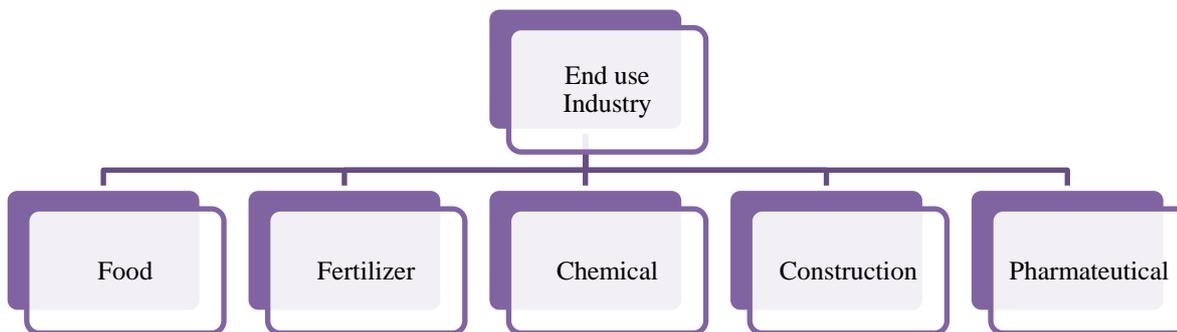
This regional market is expected to stay below US\$ 1,050 million until the end of the forecast period. The APAC industrial dryer market is anticipated give a steady competition to the North America industrial dryer market during the forecast period. The market in APAC is projected to gain 100 BPS by 2024 due to increasing demand of industrial dryers in the food, chemical, and fertilizers industries. APAC is expected to witness significant growth throughout the forecast period.

#### Macro analysis of the APAC industrial dryer market

- The incremental opportunity recorded in the industrial dryer market of China is expected to be 5.0X the incremental opportunity of Japan by 2024 end
- India is expected to witness significant growth in terms of value as compared to ASEAN during the forecast period
- ASEAN is projected to represent total incremental opportunity of more than US\$ 5 million between 2016 and 2024

#### Market Segmentation of Dryer Industry





(Source: <https://www.persistencemarketresearch.com/market-research/industrial-dryers-market.asp>)

## ABOUT DRYERS

Industrial dryers are most commonly used setups in many types of industrial processing applications. Key exertion of these dryers is to eliminate or remove moisture, water, and other solvents from the material under processing. A dryer consists of numerous components, including electric motor, fan, tube coil, and stainless-steel body. The primary function of these dryers is to attract moisture from each particle to the surface, using the complete heat transfer mechanisms, which include conduction, convection, and radiation.

Based on product, the industrial dryers market can be classified into direct, indirect, and specialty dryers. The direct dryers category is expected to account for the largest revenue share the market, during the forecast period. Direct dryers use direct contact between material and drying air to dry the material, with the potential of using internal lifting flights to maximize the heat transfer.

On the basis of type, the industrial dryers market is categorized into rotary, fluidized bed, and spray dryers. Among these, the fluidized bed dryers are projected to be the fastest-growing category in the market during the forecast period. Rising demand for fluidized bed dryers is attributed to the growing number of applications of these dryers in different application industries such as pharmaceuticals and food and beverages. Further, energy efficient, homogenous drying, and cost-effective nature are the major factors driving the growth of flexible bed dryers market.

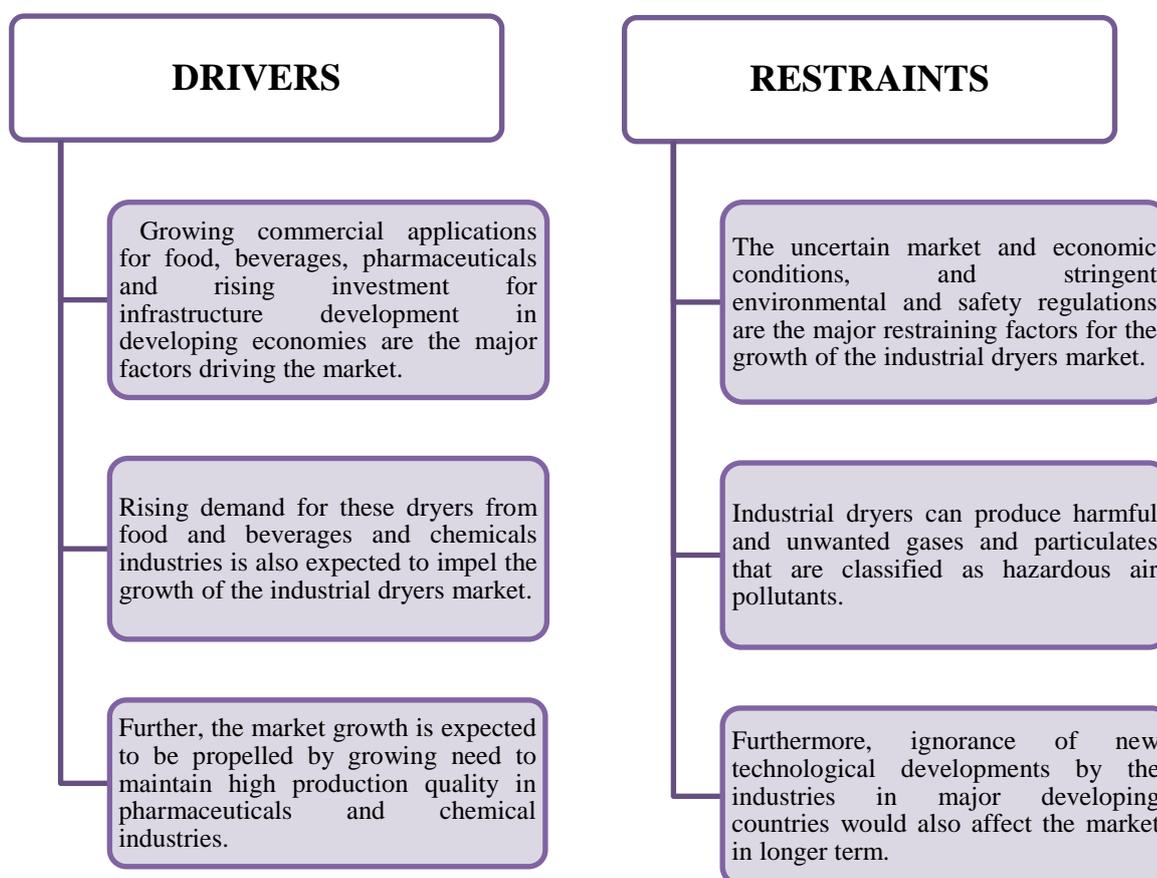
Based on application, the industrial dryers market can be categorized into food and beverages, pharmaceuticals, chemicals, fertilizer, and cement. The pharmaceuticals category is projected to be the fastest-growing application area in the market during the forecast period. The market growth can be attributed to the increased demand for these dryers in pharmaceuticals industry. The pharmaceuticals industry uses dryers to remove liquids or moisture from bulk solids,

powders, or other liquids by evaporation or sublimation. Further, improving medical and healthcare sector due to disease prevalence, drug affordability, consumer attitudes, and government policies is also expected to drive the market growth during the forecast period.

Geographically, the industrial dryers market is categorized into North America, Europe, Latin America, Asia-Pacific (APAC), and the Middle East and Africa (MEA). Among these, the APAC market is expected to witness the fastest growth during the forecast period. The major factors driving the regional market growth include diversified applications of dryers across various industries, including chemicals, food and beverages, fertilizer, cement, paper and pulp, minerals, and pharmaceuticals.

The increasing disposable income and rise in living standards have changed the food habits of individuals, which has propelled the growth of the food and beverages market, which is further expected to boost growth opportunities for manufacturers of these dryers in the region. China, India, and Japan are the leading contributors to the APAC industrial dryers market.

### INDUSTRIAL DRYER MARKET DYNAMIC



(Source: <https://www.psmarketresearch.com/market-analysis/industrial-dryers-market>)

### ZERO LIQUID DISCHARGE SYSTEM (ZLD)

The Global Zero Liquid Discharge (ZLD) Systems Market size is estimated at USD 6,805.08 million in 2023, and is expected to reach USD 10,096.49 million by 2028, growing at a CAGR of 8.21% during the forecast period (2023-2028).

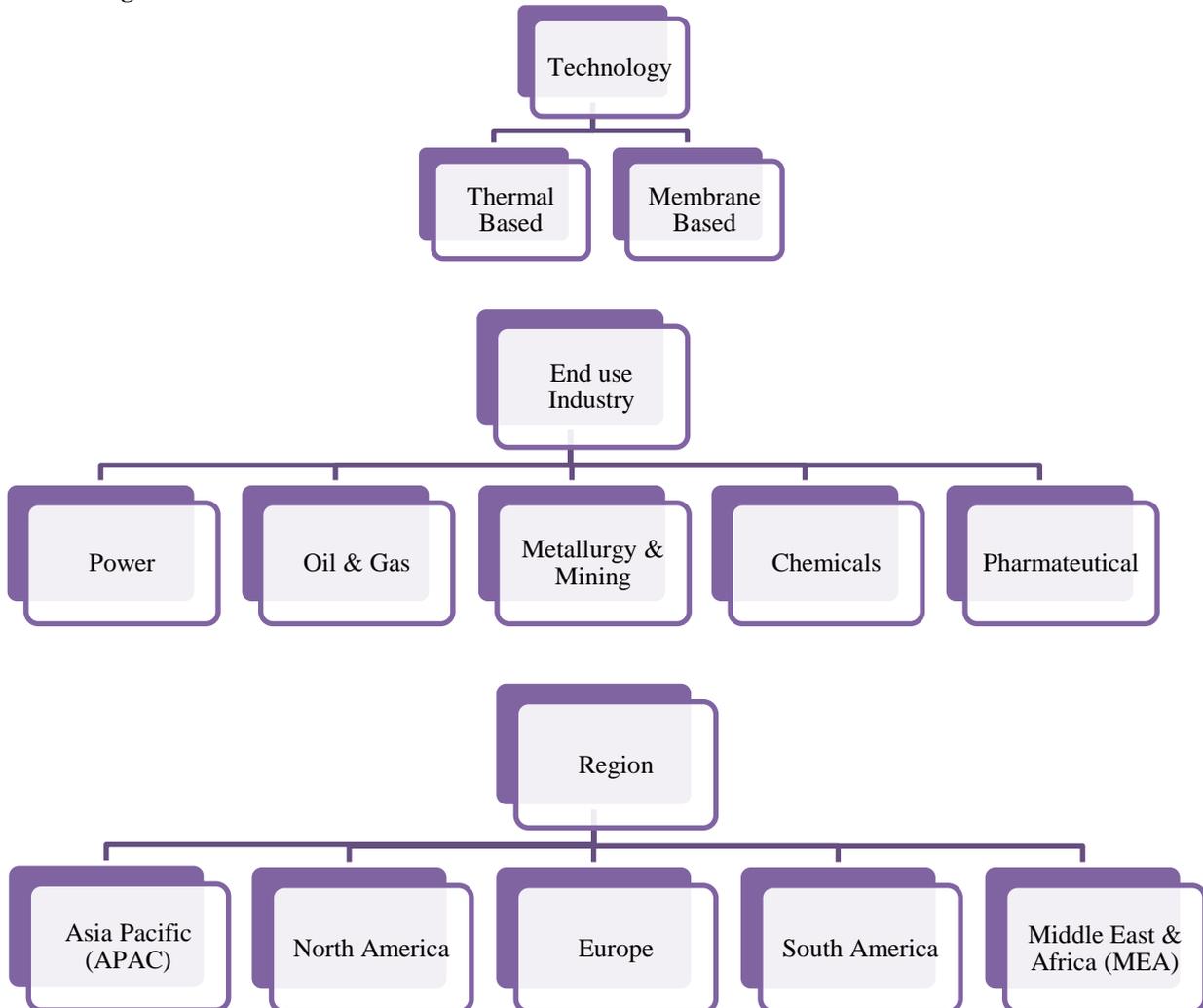
The COVID-19 pandemic had a negligible impact on the market. However, the market has been estimated to grow at a steady pace during the forecast period.

- One of the major factors driving the market is the rapidly increasing demand for freshwater.
- However, the high capital and energy cost of ZLD system technology are likely to restrain the market.

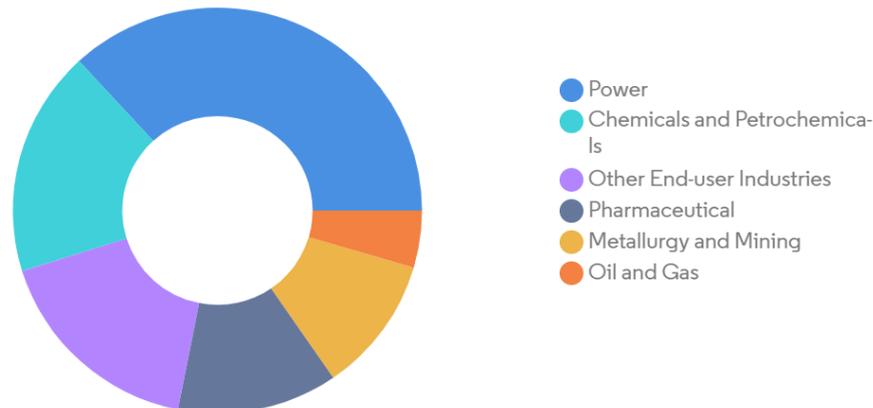
- An increase in investments in the deployment of ZLD systems is expected to provide growth opportunities for the market.
- Asia-Pacific region is expected to dominate the market over the forecast period

(Source: <https://www.mordorintelligence.com/industry-reports/zero-liquid-discharge-zld-systems-market>)

### Market Segmentation of ZLD



## Zero Liquid Discharge (ZLD) Systems Market, Revenue (%), by End-user Industry, Global, 2021



Source: Mordor Intelligence



### ***Growth in Asia Pacific Market***

Owing to the below mentioned reasons, Asia-Pacific is likely to witness the highest growth rate.

- ✚ The Asia-Pacific ZLD systems market is witnessing significant growth, owing to high demand from countries like India and China.
- ✚ China and India have made several government regulations to install ZLD systems and reduce water pollution by implementing water treatment techniques.
- ✚ The Indian government issued a policy to install ZLD facilities in all textile plants that generate more than 25 m<sup>3</sup> of wastewater per day. The Central Pollution Control Board (CPCB) in India has also released guidelines on the techno-economic feasibility of the implementation of zero liquid discharge (ZLD) for water-polluting industries.
- ✚ In March 2021, the Indian government informed that an investment of INR 8 lakh crore is anticipated in the chemical sector by 2025, with opportunities offered by the increase in demand by about 9% per annum over the next five years, with about 168 investment prospects and about 29 projects under development. This is expected to drive the demand for ZLD systems in the country in the coming years
- ✚ China, under its 14th Five Year Plan (2021-2025), has set the target for coal-power capacity to about 1,100 GW. In the first half of 2021, China planned to build 43 new coal-fired power plants. Furthermore, in February 2022, the eastern Chinese coastal province of Zhejiang approved the construction of a CNY 7 billion (USD 1.10 billion) coal-fired power plant with 2 Gigawatts (GW) of generating capacity.
- ✚ Furthermore, China is the largest producer of crude steel in the world. According to the World Steel Association, China is the largest producer of steel in the world. In 2021, the country's annual production capacity of crude steel stood at 1,032.8 metric ton, registering more than 50% of the global production. The strong growth of steel production in the country is estimated to drive the ZLD systems market during the forecast period.

(Source: <https://www.mordorintelligence.com/industry-reports/zero-liquid-discharge-zld-systems-market>)



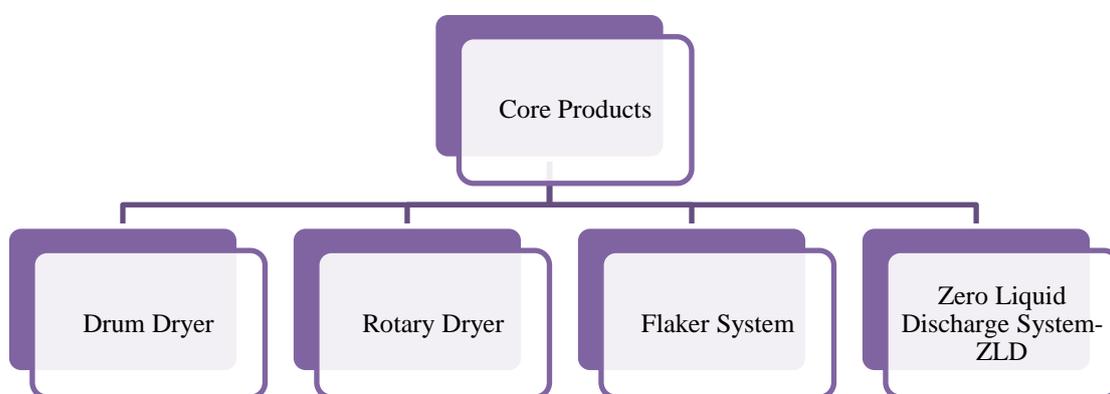
## OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 21, 129 and 152 respectively, of this Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Arrowhead Separation Engineering Limited as the case may be

### OVERVIEW

We are primarily engaged in design and manufacture of various chemical process Equipments with specialization in continuous drying and cooling system equipment. Our company has a vision to develop Equipments and provide solution which matches with the global standard. Our primary products are stated as below:



Our company has its registered office with manufacturing facility at Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik, 422403, Maharashtra. The factory workshop area is 24000 sq. ft. with an attached office of 3000 sq. ft. The factory is equipped with all requisite manufacturing facilities & managed by experienced and skilled managerial as well as workshop staff. We have a corporate office located at W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710. We conduct pilot trials on client's material to arrive at suitable drying solution for their application.

Our company is in dryer manufacturing business for more than two decades now and our team with its experience has been instrumental in driving growth and business strategies of our Company. We have been continuously focusing on upgrading ourselves with better designs and team to be able to cater the needs of client and provide them with quality equipment. Details of some system manufactured and solution arrived by us during the course are as below:



#### Dehydration Solution

- System with solution for dehydration of agricultural product which provides substantial economies in operating cost to client without compromise in quality.

#### Glycerine Recovery Systems

- System for recovery of glycerine (which was wasted in process of castor oil derivative plant) from effluent stream upto 90% purity at minimal operating cost.

#### Calcium Chloride Recovery Plant

- Consist of evaporation, flaking, drying and cooling system. The final purity of either 78% (di hydrate ) or 94% (anhydrous) can be achieved as per requirement.

#### Calcination System

- Indirect calcination system with flue gas at high temperature is used to get final temperature of the product. Operating costs are minimum and the exhaust gases can be used for upstream drying operations

We have established network and healthy client base due to our quality product with customization as per client's requirements. Our Factory is a workshop where the process of welding, grinding and machining is done as and when the customer order is received. We even get our work done through sub-contracting and even employing contractual labors. We have on-payroll employee strength of 54 persons as on June 30, 2023 and we also employ industry professionals for project specific works on professional basis from time to time.

Our revenue from operations was ₹ 912.29 lakhs, ₹ 1,087.13 lakhs, ₹ 2,150.10 lakhs and ₹ 872.26 lakhs for Fiscal 2021, 2022, 2023 and for period ended June 30, 2023, respectively. Our restated EBITDA was ₹ (43.90) lakhs, ₹ 107.71 lakhs, ₹ 320.58 lakhs and ₹ 112.69 for Fiscal 2021, 2022 and 2023 and June 30, 2023 respectively. Our restated profit after tax was ₹ (179.19) lakhs, ₹ 9.17 lakhs, ₹ 169.18 lakhs and ₹ 64.34 lakhs for Fiscal 2021, 2022 and 2023 and June 30, 2023 respectively.

#### **Strengths**





### ***Customized Product for each Client***

Our Company offers customization facilities to all the customers as per their particular requirements and specifications. Our Company's strength and goodwill is generated from our continued focus on customer satisfaction and it has been a key attribute in the growth of our business. Our team focuses on each order and defines the process and plan accordingly. This provides complete satisfaction to our customer and helps them to achieve their purpose from the product in impromptu and systematic manner and also enable us to expand our business from existing customers to new clients through mouth publicity. We conduct detailed surveys during project execution, at the time of possession, and post-sales to generate customer insights that allow us to consistently enhance customer experience throughout the equipment life cycle, assess trends and changing customer preferences and incorporate the same in our manufacturing process.

### ***Qualified and experienced Executive Directors***

We are a concise organization with our Executive Directors taking the lead in day-to-day business activities. The dedication to build a successful organization percolate to each department and employee. Our Board of Directors comprises individuals with significant experience across this industry and its functions. Our Company is managed by our Managing Director Ajit Mundle and Whole-time Director Jyoti Mundle each have more than three decades of experience in engineering industry which has been instrumental in growth of our business.

We believe that our Executive Director's experience and their understanding of the Engineering industry & dedication for projects will enable us to continue to take advantage of both current and future market opportunities. It is also expected that our management's experience will help us in addressing and mitigating various risks inherent in our business, including significant competition.

We also have a team of experienced professionals who have relevant functional expertise and who are instrumental in implementing our business strategies. The team is assisted by a strong workforce in various functions and cells of our business such as business development and liaison, planning, designing, procurement, production management, sales, strategy, human resources, accounts and finance.

### ***Relationship with Customers & Suppliers:***

Our Company enjoys long standing relationship with key Customers & Suppliers. These long standing relationships are result of our commitment to quality, timely delivery, promptness in payments and adaptability etc. We benefit immensely from this. Our business and growth are significantly depending on our ability to maintain the client relationship. We believe that having many years of experience in the industry and being able to identify these players would give us a competitive advantage in this unorganised contracting business segment. These long standing relationship with customers and suppliers have helped in establishing our reputation as a trusted business player in manufacturing industry. We deal with concentrated customer base. As on March 31, 2023, our top 5 customers were 88.93% of total revenue from operations and top 5 suppliers were 44.90% of total purchases. As on June 30, 2023, our top 5 customers were 96.82% of total revenue from operations and top 5 suppliers were 48.82% of total purchases

### ***Location of the Manufacturing Unit***

Our Company has one manufacturing facility for the production of products and office use.

1. Our unit is located at Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik, 422403, Maharashtra. This factory workshop area is 24000 sq. ft. with an attached office of 3000 sq. ft.

We have well-developed industrial area having basic infrastructure facilities like power & water available locally including following facilities

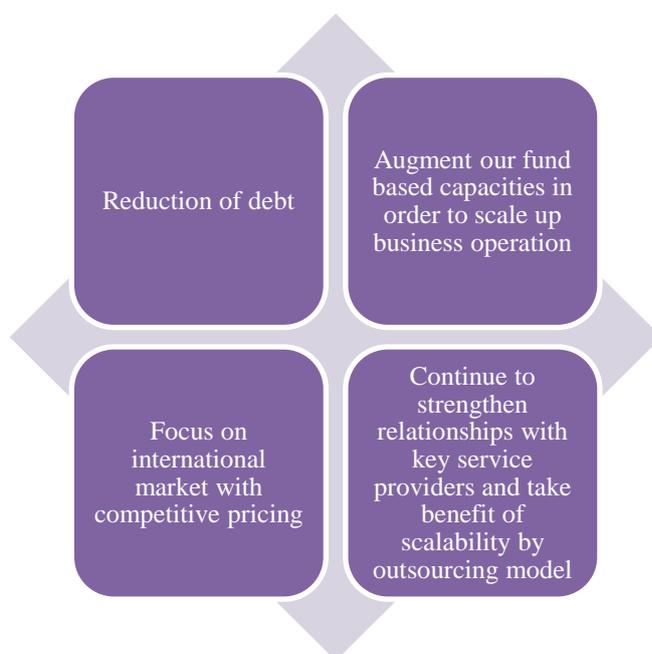
- Availability of labor from nearby surrounding areas;
- Proximity to Mumbai Highway, which is one of the major market hubs in India.
- Raw materials sourced are easily available and / or deliverable from the manufacturers / third party job-workers located in Navi Mumbai near to our Unit. Thus, procurement of raw materials is less time consuming and comparatively cheaper due to savings on time and freight.

### **Wide range of products**

We as a manufacturing hub thrive to produce world class separation and drying Equipments. Our continuous focus is in achieving best designed, highly efficient, cost- effective equipment. We update our self with new features and technology to give the best in manufacturing process. We manufacture following equipments at our facility:

- Single drum dryer
  - Atmospheric single drum dryer
  - Industrial applicator roller
  - Totally enclosed single drum dryer
  - Vacuum single drum dryer
- Double drum dryer
  - Atmospheric double drum dryer
  - Double cone vacuum dryer
  - Totally enclosed double drum dryer
  - Vacuum double drum dryer
  - Rotary vacuum dryer
- Rotary Dryers
  - Rotary cascade dryers
  - Rotary Louvre dryers
  - Rotary tube bundle dryers
- Paddle Dryers
- Continuous Particulate Dryers
- Belt Dryers
- Air Impingement Dryer
- Calcination System
- Flaker System
- Zero liquid discharge system (ZLD)

### **Our Strategies**



#### ***Reduction of debt***

We have from time to time availed unsecured loans from NBFC's and related parties. As on June 30, 2023 and September 30, 2023 we have total outstanding unsecured loan from Abans Finance Pvt Ltd (one of the NBFC's) amounting to ₹. 200.00 lakhs and 200.00 lakhs at an interest rate of 12% p.a. Our company is planning to repay loan of



₹ 200.00 lakhs from the net proceeds of the Issue. With the repayment, we will be able to decrease our interest cost which will lead to better debt service coverage ratio and healthy profit before tax and cash flows. Our company will have access to interest free capital and will have significant reduction in debt. Further we wish to achieve a well-funded balance sheet without significant debt on liability side.

#### ***Augment our fund based capacities in order to scale up business operation***

Our company utilizes an extensive amount of working capital in its operations. We are in the manufacturing sector, and the equipment we produce takes three to four months to develop. We maintain an inventory of all raw materials and bought out items to ensure a seamless production process. We mostly purchase steel, angle, bar, and channel as raw materials, thus we must pay our suppliers on time in order to first prevent availability fluctuations and rate adjustments that could raise our costs. Our working capital requirement is impacted by the major corporations that we serve, to whom we must extend credit for a longer period of time in order to be competitive. In the above mentioned process our working capital gets tied up for longer gestation period, therefore for smooth flow operation, we must make sure that funds are available continuously and at no expense to interest. This will allow us to grow our clientele and access new markets in addition to boosting the capacity of our current facilities.

#### **Continue to strengthen relationships with key service providers and take benefit of scalability by outsourcing model**

Our complete manufacturing process is not completed in-house, we use outsourcing model in our business. Our facility does not have a complete set-up which is required for our business. Few steps of manufacturing processes are outsourced to third party service provider on job work basis. We intend to continue to follow this outsourcing model and further strengthen our relationships with key service providers. This will enable our management to focus more on our core business by continuing to outsource the job work to our service providers. We also believe that this model will enable us to develop product with quality assured as it is performed by specialist in those activity. This also helps us to achieve cost-effective deals as we outsource to our fixed service provider on order basis.

Further we intend to outsource or lease certain key equipments and machinery required for process from outside vendors having the necessary abilities and bandwidth with respect to equipments, which will enable us to utilize advanced technologies, including system formworks, to increase productivity and maximize asset utilization in our construction activities. We believe that this will enhance our capability and execute projects with higher operational efficiency.

#### **Focus on international market with competitive pricing**

We sell our product in both domestic and international market. We are now an established manufacturer in dryer industry in domestic market. Over the years, we have been able to establish ourselves in India with experiences of team, efforts on daily basis and continuous development. Now we are planning to grow in international market. The factors that can provide us advantage in exports are availability of labours and at reasonable price which decreases the operating cost and increase the margin of production, cost of importing from india will be economical for foreign consumer due to forex rate of dollar and rupee which can encourage more of exports from us. Price is an important aspect of a business' marketing mix and changing the price can drastically affect the marketing tactics necessary for success. To remain aggressive and capitalize a good market share, we believe we will be able to offer competitive prices to our customers. This helps us to sustain the competition and withhold a strong position in the market. This will give benefit to both parties.

### **DETAILS OF OUR BUSINESS**

#### **Location**

##### ***Registered Office and Manufacturing Facility***

Our Registered Office and Manufacturing Facility is located at – Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik-422403, Maharashtra.

##### ***Corporate Office***

Our Corporate Office is located at W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710.

For further details of the respective ownership / rental arrangements of the above please refer to “Our Business – Properties” on page no. 90 of this Prospectus.

### **Description of our Products and Services**

We are primarily engaged in design and manufacturing of various process equipment with specialization in continuous drying and cooling system equipment. With continuous focus in R&D and experience of two decades we are now established suppliers of Industrial Dryer, Drum Dryer and Industrial Cooling System. We deal in manufacturing drum dryers, belt dryers, air impingement dryers, rotary vacuum dryers, rotary cascade dryers, steam tube dryers, paddle dryers, industrial flaking system and drum flakers.

The details of some of our key product are as below:

Sr. No.	Name of the product	Description
1.	 <p><b>Rotary Tube Bundle Dryers</b></p>	<p>Rotary tube bundle dryers are effective in handling granular free flowing solids. The wet feed which has free flowing form is made to work over the rotating bundle of heated tubes. Due to radiation and conduction effects, the moisture is evaporated and the product becomes progressively dry as it travels across the dryer and reaches final moisture level at the discharge point. Due to effective turbulence the solids are dried uniformly. Its typical application is seeds, husk, oats, coal and mica.</p>
2.	 <p><b>Flaker Systems</b></p>	<p>Double Drum Flaker consists of two drums internally cooled &amp; rotates in opposite direction. Molten feed is fed at the nip between two drums. Film of product solidifies on the drum surface during rotation of drum. Stationary knife (located on both drums) removes the solidified layer formed on the drum surface in the form of flakes. Its typical application is drug intermediates, Phenol, Waxes, Resins and Benzoic Acid.</p>
3.	 <p><b>Zero Liquid Discharge (ZLD) Systems</b></p>	<p>Zero liquid discharge is an advanced water treatment process which purifies and recycles the wastewater at the end of the industrial process with zero liquid waste at the end. . The goal of any well-designed ZLD system is to minimize the volume of wastewater that requires further treatment, process wastewater in an economically feasible manner, while also producing a clean stream suitable for reuse elsewhere in the facility. The equipment needed to achieve ZLD varies depending on the characteristics of the wastewater as well as the wastewater volume.</p>

Sr. No.	Name of the product	Description
4.	 <p><b>Operating Principle Paddle Dryer</b></p>	<p>Paddle Dryer is suitable for processing entire range of feeds, except liquids. The wet feed is continuously agitated by the heated rotating paddles, thus exposing new areas to heating surfaces. This results in the moisture boiling off and rendering the wet material to dry to the required degree. These dryers can be offered either in batch process, either atmospheric or under vacuum or continuous process. It's typical applications are agro waste in sludge form, biological sludge, Nylon granules.</p>
5.	 <p><b>Vacuum Double Drum Dryer</b></p>	<p>The system consists of Vacuum Double Drum Dryer, Condenser, Receiver, Feed Vessel with Valve, Accessories, Skid etc. The Double Drum Dryer except the drive is enclosed in a suitable cylindrical enclosure having quick opening doors at both the ends. The enclosure is jacketed, to which low pressure steam is supplied. This ensures that there is no condensation of vapor generated during the drying operation, on the walls of the enclosure. The drive to the double drum dryer is fixed outside the enclosure. The vapors escaping from the dryer enclosure are condensed in a suitable shell and tube type condenser and collected in a suitable receiver. Material is fed to the drum dryer because of vacuum suction. The valve provides requisite control.</p>

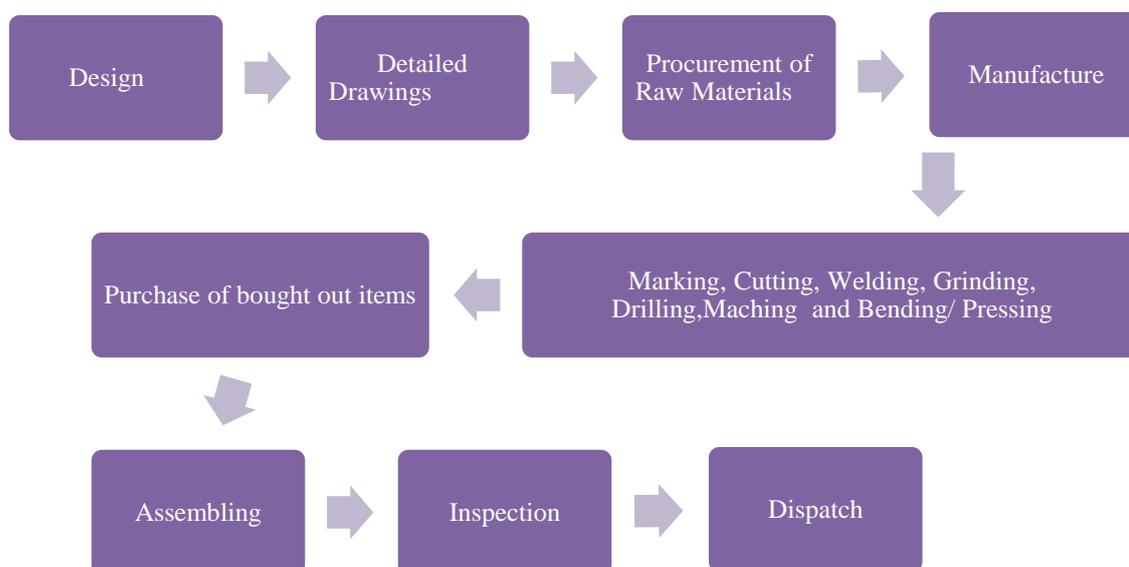
**Key Processes**

***Manufacturing process***

The Company is in manufacturing of customized drying and cooling system.

The manufacturing process of the Company's various products can be divided into following stages: designing, detailed procurement of raw material, processing the raw materials, assemble and finally inspecting and then dispatching the final product.

The process flow chart for proposed manufacturing is as under:





After receiving order from customer, following steps take place

- Basic design of individual components is made by design team and handed over to drawing department.
- Detailed general arrangement drawing of the machine is prepared. This is followed by detailed drawings of individual components.
- Bill of material for Raw Material and Bought Out components is drawn and submitted to Project / Procurement team.
- Raw Material in the form of plates, channels, angles, pipes etc. is procured. Orders for bought out components are placed. Cutting the samples for testing as required and are sent to laboratory.
- Manufacturing Process involves Marking, Cutting, Pressing & Bending, Welding, Grinding, Machining, Drilling, Hard chrome Plating, Sand blasting, buffing, and painting all the components as per the procedure. Some of the operations are carried out at sub vendor's site.
- Final assembly starts after all the components are ready and all the bought out components are received for assembly.
- Running trial of the machine is conducted at our factory and after its success with all parameters checked
- Finally the Inspection team issues the dispatch clearance note to dispatch department.
- Product is dispatched to customers

### **Plant and Machinery**

As on date of Prospectus, we have following major Plant and Machinery at our manufacturing facility:

- Lathe Machine
- Welding Machine
- Drilling Machine
- Overhead Crane
- Shearing Machine
- Rolling Machine
- Shaping Machine
- Hand Press
- Air Compressor
- Power Hacksaw

### **Infrastructural facilities and utilities**

Our manufacturing facility is situated at Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik, 422403, Maharashtra. We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality products. Our manufacturing facility houses various automated and semi-automated plant and machinery for the manufacturing process and other material preparation tools and handling equipments and quality control lab and equipments. Also our manufacturing facility and corporate office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Our manufacturing facility is also equipped with requisite utilities including the following:-

#### ***Power***

Our manufacturing unit has adequate supply of power from Maharashtra State Electricity Distribution Co Ltd with a connected load of 198 KW.



## **Water**

For manufacturing of dryers water quenching is required, the company has its own bore well for all of its water requirements.

## **Capacity and Capacity Utilizations**

We are in the business of designing and manufacturing of various process equipment with specialization in continuous drying and cooling system equipment. Our company manufactures drum dryers, belt dryers, air impingement dryers, rotary vacuum dryers, rotary cascade dryers, steam tube dryers, paddle dryers, industrial flaking system and drum flakers. Our end product is customized as per client's requirement. Our Factory is a workshop where the process of welding, grinding and machining is done, as and when the customer order is received (It's not a continuous process). Therefore, due to the multiple customized end products and the nature of business in which our Company operates it is difficult to ascertain the exact installed capacity and capacity utilization.

## **Raw Materials**

Raw Material identification and procurement is the initial stage to the production process. The basic and principal raw materials required for manufacturing are

- Mild Steel & Stainless Steel - Sheets, Plates, Channel, Angle, Beams, Patta, Patti, Pipes, Tubes, Flats etc
- Castings
- Gaskets Sheets, Nut bolts, Electrodes, Grinding Wheels, Cutting Wheels

All these raw materials are procured from the market at the competitive prices.

We also purchase products which we use directly as input materials, including materials which do not require any processing. Such materials are referred as bought-out materials. We use bought out items which includes Electric Motors, Gearbox, Gear Motor, Pump, Bearings, Hot Air Generator, Control Panel, ID & FD Fan, Cloth Bellows, Valves & Fitting, Electronics Instruments and Hydraulic Cylinder.

## **Our Customers**

Our Company is engaged in manufacturing of Dryers and Cooling systems and Zero liquid discharge systems. The percentage of income derived from our top customers for period ended June 30, 2023, financial year 2022-23 and 2021-22 is given below:

(₹ in Lakhs)

Sr.No	Particulars	For the period ended June 30, 2023		F.Y 2022-23		F.Y 2021-22	
		Revenue	Percentage (%)	Revenue	Percentage (%)	Revenue	Percentage (%)
1	Income from Top 5 Customer	844.54	96.82%	1,912.36	88.93%	695.61	63.99%
2	Income from Top 10 Customer	869.76	99.71%	2,061.92	95.89%	893.11	82.15%

## **Export and Export Obligations**

For the Financial year ended March 31, 2021, March 31, 2022, March 31, 2023 and period ended June 30, 2023 total exports of our company were ₹ 2.63 lakhs, ₹ 35.53 lakhs, ₹ 1,191.59 lakhs and ₹ 527.46, lakhs and respectively. As on date of this Prospectus there are no export obligations.

## **Marketing Setup**

Our Company relies on a relationship based business model. Our market efforts are headed by our director – Ajit Shankar Mundle and supported by our team. Our Company believes that the quality we maintain and try to achieve in each product we manufacture is the major reason for being awarded with the new and repetitive orders.



To retain our customers, our management and team interacts with them to gain an insight into the additional needs and desires of the customers. Such interaction may include exchange of design and product information, feedback on various aspects of the product, estimation of effort and cost for development of equipment.

### **Collaboration**

Our Company has so far not entered into any technical or financial collaboration with any third party.

### **Manpower**

Our Company believes that our ability to maintain growth depends on our strength in attracting, training, motivating and retaining employees. We intend to develop a “pool” of well experienced and strong goodwill based team that can be on our empanelment and hence create a readily available work force for managing the growth of our production business lines in the future. As on June 30, 2023, we have 54 employees on our payroll, who facilitate our manufacturing operations.

Particulars	No. of employees (June 30, 2023)
Directors	2
Employees	19
Factory Workers (including Trainees)	32
<b>Total</b>	<b>54</b>

### **Intellectual Property**

Our Company uses below mentioned logo in its business and business documents, however no application has been made with the relevant authorities for the registration of the same.



### **Property**

The details regarding our properties are mentioned below:-

#### ***Freehold Properties***

Sr. No.	Location	Date of Agreement	Seller(s)	Purpose/ Current usage
1.	Survey No 39, Village Mundhegaon, Tal Igatpuri, Nashik, 422403, Maharashtra.	October 31, 1992	Anita Parasmal Picha and Maniram Bhikaji Shinde	Registered Office and Manufacturing Unit

#### ***Leasehold Property***

Sr. No.	Name of Licensee	Premises leased and area	Current Term of Lease	Amount of rent	Purpose/ current Usage
1.	M/s Transfer Systems. (Promoter Group Entity)	W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710. (Total Area 1150 Sq Mtr)	3 years, commencing from 01/08/2022	₹ 2,00,000/- per month	Shared Corporate Office with Licensee



## **Insurance**

Our operations are subject to various risks inherent in the industry in which we operate as well as risk of equipment failure, work accidents, fire, chemical spillage, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury, loss of life, severe damage to and destruction of property and equipment and environmental damage. Further, government imposed lockdowns and restrictions in movement such as those imposed as a result of the COVID19 pandemic may also lead to disruptions in our business and operations. We maintain insurance cover against fire, burglary and other risk, by insuring Plant and machinery, finished stocks, Building and Stock in progress from Tata AIG general Insurance Limited.

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 and such limitations apply with respect to the length of the business interruption covered and the maximum amount that can be claimed. 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. For details, please refer the “*Risk Factor*” on page no. 21 of this Prospectus.



## KEY REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled “Our Business” on page no.90 of this Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant material regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page no.167 of this Prospectus.*

### **A. REGULATIONS GOVERNING ENGINEERING SECTOR**

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

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

#### **Legal Metrology Act, 2009 (“LM Act”)**

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The LM Act makes it mandatory to obtain a license from the Controller of Legal Metrology by any person who manufactures sells or repairs any weight or measure. All weights or measures in use or proposed to be used in any transaction or protection, are required to be verified and stamped at such place and during such hours as the Controller of Legal Metrology may specify on payment of prescribed fees. Various penalties have been provided for contravention of the provisions of the LM Act. The penalty of using non-standard weight or measure may attract a fine of upto ₹ 20,000 and, a subsequent offence, may lead to penalties and imprisonment extending to three years along with fine. In case a person imports any weight or measure without being registered under the LM Act, he may be punished with fine which may extend to ₹ 25,000. The LM Act also provides for provisions relating to compounding of offences.

#### **The Factories Act, 1948**

The Factories Act, 1948 (“**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. It is pertinent to note that State Governments have set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories. The Rules govern approval of plans, grant of licenses, safety procedures, working hours and conditions of workers.

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

The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 came into effect August 08, 2017. The 2017 Act replaces the Maharashtra Shops and Establishment Act of 1948. The law is



applicable to all commercial establishments in the State, (not covered under the Factories Act), employing 10 or more workers and requires intimation from every establishment employing less than 10 workers to the government authority by submitting an application within prescribed time. The New Act read with The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules 2018 require all commercial establishments to register itself as a commercial establishment without any fee. However, the new Act requires the registered entities to file an Annual return in Form 'R'. The New Act has also introduced a new concept for the safety of women employees by restricting their working hours for between 7:00 am to 9:30 pm. Now, after the new Act the women employees (with consent) shall be allowed to work during 9:30 pm and 7:00 am only if adequate protection of their dignity, honour and safety, protection from sexual harassment and their transportation are provided by the employer. The New Act also limits the total number of overtime hours of the employees which shall not exceed 125 hours in three months

## **B. CORPORATE AND COMMERCIAL LAWS**

### **Companies Act, 2013**

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

### **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates



for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

### **The Micro, Small and Medium Enterprises Development Act, 2006 r/w Industries (Development and Regulation) Act, 1951**

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, (ii) a small enterprise, or (iii) a medium enterprise, as per criteria mentioned in the said Act. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonoured on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Consumer Protection Act, 2019**

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up under the Act.

### **Information Technology Act, 2000**

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. Secondary or subordinate legislation to the IT Act includes the Intermediary Guidelines Rules 2011 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rule, 2021. The laws apply to the whole of India.

The Act provides a legal framework for electronic governance by giving recognition to electronic records and digital signatures. It also defines cyber-crimes and prescribes penalties for them. If a crime involves a computer or network located in India, persons of other nationalities can also be indicted under the law. The Act directed the formation of a Controller of Certifying Authorities to regulate the issuance of digital signatures. It also established a Cyber Appellate Tribunal to resolve disputes arising from this new law.



## **C. LABOUR AND EMPLOYMENT LAWS**

### **Child Labour (Prohibition and Regulation) Act, 1986**

This statute 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. Under this Act, the employment of child labour in the building and construction industry is prohibited.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/- (Rupees Fifty Thousand Only).

### **The Employees State Insurance Act, 1948:**

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952:**

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees’ provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

### **Payment of Bonus Act, 1965:**

A bonus payment is usually made to employees in addition to their base salary as part of their wages or salary. Pursuant to the Payment of Bonus Act, 1965, as amended (the “Bonus Act”), an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

## **D.TAX LAWS**

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

Income-tax Act, 1961 (“**Income-tax Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the Income-tax Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.



### **Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 (“**CGST Act**”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

### **Integrated Goods and Services Tax Act, 2017**

Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

Further, the Company is also governed by various State Goods and Service Tax statutes for levy and collection of tax on intra-State supply of goods and services or both which are as follows:

- i. Arunachal Pradesh Goods and Services Tax Act, 2017;
- ii. Haryana Goods and Services Tax Act, 2017;
- iii. Jammu & Kashmir Goods and Services Tax Act, 2017;
- iv. Maharashtra Goods and Services Act, 2017;
- v. Odisha Goods and Services Tax Act, 2017;
- vi. Rajasthan Goods and Services Act, 2017; and
- vii. Union Territory Goods and Services Tax Act, 2017.

### **Professional Tax**

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

### **E.ENVIRONMENTAL REGULATIONS:**

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

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exists among water, air and land, and human beings and other living creatures such as plants, microorganisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.



### **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

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

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“**State PCB**”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.



## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Arrowhead Separation Engineering Private Limited on July 25, 1991 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 062643. The status of the Company was changed to public limited and the name of our Company was changed to Arrowhead Separation Engineering Limited vide Special Resolution dated March 01, 2023. The fresh certificate of incorporation consequent to conversion was issued on April 18, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74210MH1991PLC062643

Our Company has Eleven (11) shareholders as on the date of filing of this Prospectus.

### OVERVIEW

Our company Arrowhead Separation Engineering Limited is primarily engaged in design and manufacture of various chemical process equipments with specialization in continuous drying and cooling system equipment. Our Factory is a workshop where the process of welding, grinding and machining is done as and when the customer order is received. We even get our work done through sub-contracting and even employing contractual labors. Our revenue from operations was ₹ 912.29 lakhs, ₹ 1,087.13 lakhs ₹ 2,150.10 lakhs and ₹ 872.26 lakhs for Fiscal 2021, 2022, 2023 and for the period ended June 30, 2023 respectively.

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Events / Milestone / Achievements
1991	▪ Incorporation of our Company Arrowhead Separation Engineering Private Limited
1992	▪ Setting up of Registered Office
1996	▪ Entered into strategic partnership with M/s. R. Simon (Dryers) Limited
2005	▪ Exported products to Malaysia
2007	▪ Became a member of Engineering Export Promotion Council
2008	▪ Turnover of our Company crossed Rs 15 crore
2008	▪ Exported products to UAE
2014	▪ Exported products to Saudi Arabia
2019	▪ Exported products to Egypt
2021	▪ Large number of orders and works were put on hold due to Covid outbreak and our relations with foreign partners weakened due to process driven issues during such period
2022	▪ Ended our strategic partnership with M/s. R. Simon (Dryers) Limited and they ceased to be shareholders as well as any other type of involvement in our operations.
2022	▪ Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each share and issue of Bonus Shares
2023	▪ Company raised unsecured loans and Exported large order to Germany successfully
2023	▪ Company converted from Private Limited Company to Public Limited Company vide special resolution passed at General Meeting dated March 01, 2023.

### MAIN OBJECTS OF OUR COMPANY

1. To acquire and take over as a going concern the business of M/s Technical Products a registered firm engaged in the business of designing, manufacturing, erection and commissioning of chemical and process equipment.
2. To carry on the business of designing, manufacturing, erection, commissioning, trading and consultancy of chemical and process equipment by means of technology available indigenously or otherwise.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

There have been no changes in the location of registered office of our company since incorporation.



## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY IN LAST 10 YEARS

The following changes have been made to the Memorandum of Association of our Company:

Sr. No.	Date of Shareholder's Resolution	Nature of Amendment
1.	September 30, 2022	The Authorized Share Capital of the Company was increased from ₹ 1,00,00,000 (One Crore) divided into 1,00,000 (One Lakh) Equity Shares of ₹ 100 each to ₹ 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakh) Equity Shares of ₹ 100 each pursuant to Shareholders Resolution passed at the Annual General Meeting held on September 30, 2022.
2.	October 06, 2022	The Share Capital of the Company was Sub- Divided from ₹ 100 to ₹ 10 pursuant to which Authorized Share Capital changed from ₹ 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakh) Equity Shares of ₹ 100 each to ₹ 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakh) Equity Shares of ₹ 10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on October 06, 2022.
3.	March 01, 2023	The existing Clause III B containing the "Objects Incidental or Ancillary to the attainment of Main Objects" i.e. sub-clause no. 2 to 43 was deleted and replaced by New Clause III (B) "Matters which are necessary for furtherance of the Objects specified in Clause III (A) containing the sub-clause no. 3 to 62.  Accordingly, the existing Clause III C containing the "Other Objects" sub clause no. 44 to 62 also stands deleted in full.
4.	March 01, 2023	Upon Conversion from Private Company to Public Company, the name of our company was changed from 'Arrowhead Separation Engineering Private Limited' to 'Arrowhead Separation Engineering Limited' consequent to which a certificate of Incorporation dated April 18, 2023 was issued by the Registrar of Companies, Mumbai.

### OUR HOLDING COMPANY

As on the date of this Prospectus, our Company does not have any Holding Company.

### OUR SUBSIDIARIES / JOINT VENTURE

As on the date of this Prospectus, there are no subsidiaries of our Company.

### THE AMOUNT OF ACCUMULATED PROFIT / (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit / (losses) not accounted for by our Company.

### FINANCIAL PARTNERS

We do not have any financial partners as on the date of this Prospectus.

### STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Prospectus.

### SHAREHOLDERS' AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Prospectus.

### OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Prospectus.



## **COLLABORATION**

Our Company has not entered into any Collaboration as on the date of this Prospectus.

## **ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/ FACILITY CREATION OR LOCATION OF PLANTS**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, and location of our manufacturing facility, see “*Our Business*” on page 90 of this Prospectus.

## **TIME/COST OVERRUN IN SETTING UP PROJECTS**

As on date of this Prospectus, there has been no time and cost overruns in the Company.

## **LOCK-OUT AND STRIKES**

There have been no material instances of strikes or lock-outs at any time in our Company.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS**

As on date of this Prospectus, our Company has not made any defaults / re-scheduling of its borrowings.

## **INJUNCTION OR RESTRAINING ORDERS**

There are no material injunctions/restraining orders that have been passed against the company.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

As on the date of this Prospectus, our Board consists of Five (5) Directors including One (1) Managing Director, One (1) Whole Time Director, Three (3) Non-Executive Independent Directors. Out of the total composition, we have Three (3) Women Directors on our Board.

The details of the Directors are as mentioned in the below table:

Sr. No.	Name , Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age	Other Directorships
1.	<p><b>Ajit Mundle</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Date of Birth:</b> October 11, 1949</p> <p><b>Address:</b> Flat No-203, Navdurga Apartment, Opp-Lakme compound, Govandi Station Road, T.F.Donar, Chembur, Mumbai-400088.</p> <p><b>Date of Appointment as Director:</b> July 25, 1991</p> <p><b>Date of Appointment as Chairman &amp; Managing Director:</b> May 29, 2023.</p> <p><b>Term:</b> Appointed as Chairman &amp; Managing Director for a period of five years i.e. till May 28, 2028 and Liable to Retire by rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b>01745577</p>	Indian	74 years	NIL
2.	<p><b>Jyoti Mundle</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Date of Birth:</b> February 05, 1946</p> <p><b>Address:</b> Suyog 215/216, Near Chembur Post office, D.K. Sandhu Marg, Chembur, Mumbai-400071.</p> <p><b>Date of Appointment as Director:</b> July 25, 1991</p> <p><b>Date of Appointment as Whole Time Director:</b> May 29, 2023 .</p> <p><b>Term:</b> Appointed as Whole Time Director for a period of five years i.e. till May 28, 2028 and Liable to Retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b>01744211</p>	Indian	77 years	NIL



Sr. No.	Name , Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age	Other Directorships
3.	<p><b>Priyanka Moondra Rathi</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Date of Birth:</b> January 13, 1993</p> <p><b>Address:</b> Plot No. 16/2 B, Bhatti Ki Bavri, Chopasni Housing Board, Jodhpur - 342008.</p> <p><b>Date of Appointment as Non-Executive Independent Director:</b> May 29, 2023</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of five years i.e. till May 28, 2028 and not liable to Retire by rotation</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 09485101</p>	Indian	30 Years	<ul style="list-style-type: none"> <li>• UMA Polymers Limited</li> <li>• Rex Sealing And Packing Industries limited</li> <li>• CFF Fluid Control Limited</li> <li>• Capstar Finance Private Limited</li> <li>• Shreeshay Engineers Limited</li> <li>• Pavna Industries Limited</li> </ul>
4.	<p><b>Mayuri Rupareliya</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Date of Birth:</b> November 18, 1992</p> <p><b>Address:</b> 402, Giriraj Palace, New Collegewadi Street - 2, Behind Punjab Honda - (I), Rajkot 360005.</p> <p><b>Date of Appointment as Non-Executive Independent Director:</b> November 18, 2022</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of five years i.e. till November 17, 2027 and not liable to Retire by rotation</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b>09696908</p>	Indian	29 years	<ul style="list-style-type: none"> <li>• Rex Sealing and Packing Industries limited</li> </ul>



Sr. No.	Name , Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age	Other Directorships
5.	<p><b>Nikhil Malpani</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Date of Birth:</b> July 13, 1991</p> <p><b>Address:</b> Jawahar Colony, Kampoo, Behind Padma School, Gird, Gwalior – 474001.</p> <p><b>Date of Appointment as Non-Executive Independent Director:</b> May 29, 2023</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of five years i.e. till May 28, 2028 and not liable to Retire by rotation</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 09816032</p>	Indian	32 Years	<ul style="list-style-type: none"> <li>Sunita Tools Limited</li> </ul>

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below.

#### BRIEF PROFILE OF OUR DIRECTORS

**Ajit Mundle**, aged 74 years, is the one of the founding promoter of the Company. He has been a part of the Board since inception and is currently designated as Chairman & Managing Director of the company. He has completed his Bachelor’s degree in Bachelors of Science from Bombay University in the year 1969. He has over three decades of experience in Engineering Industry. He is currently responsible for the overall working of the Company and is instrumental in making strategic decisions. His strong leadership skill, comprehensive understanding of financial management principles, entrepreneurship with commercial acumen and excellent management skill allow the business to grow by way of developing the new clients whilst maintaining its existing customer base.

**Jyoti Mundle**, aged 77 years, is the one of the founding promoter of the Company. She has been a part of the Board since inception and is currently designated as Whole Time Director of the company. She has obtained her degree in Bachelor of Arts from Bombay University in the year 1968. She has over three decades of experience in Engineering Industry. She has been integral part of our company and responsible for formulating various strategies and providing guidance for its implementation in our Company. She is instrumental in devising and implementing the overall strategy and growth of our Company and in maintaining cordial relations. As an Executive Director of the Company, she is responsible for providing his expertise for growth and expansion of our Company.

**Priyanka Moondra Rathi**, aged 30 years is a Non-Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. May 29, 2023. She has completed Bachelors of Commerce degree from Jai Narayan Vyas University in the year 2013 and is a member of Institute of Company secretaries of India since 2017. She has completed Diploma in MBA in Finance from International Business Management Institute, Berlin, Germany in the year 2020 and is currently pursuing Certified Public Accountants course. She has worked with Adani Power Limited, Rathi Eduserve & Corporate Consultancy Services Private Limited, Sigma Minerals Limited and currently she is working with Transmissions International India Private Limited Rajasthan as an Internal Controller & Company Secretary, Finance department She has an experience of more than 4 years including internship in the field of Secretarial, Compliances and Legal work.

**Mayuri Rupareliya**, aged 29 years is a Non-Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. November 18, 2022. She holds Bachelors of commerce degree from Gujarat 100 University and is also a member of Institute of Company Secretary Course since 2017. She has earlier worked with Gujarat Petronet Limited, Rupal Patel and Associates and at present is working as an Independent Practising Company



Secretary. She has exposure of secretarial functions in medium sized enterprises, listed and unlisted companies. She has an experience of more than 3 years including internship in the field of Secretarial, Takeovers, mergers, Income Tax, GST Practitioner, Compliances and Legal work.

**Nikhil Malpani**, aged 32 years is a Non- Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. May 29, 2023. He has completed Bachelors of Commerce degree from Delhi University in the year 2013 and is a member of Institute of Chartered Accountants of India since 2019. His work experience includes various practices such as conducting Audit, exposure in Direct and Indirect Taxes, Statutory Bank Audits, analyzing financial statements to determine the reporting and earning quality for the purpose of business valuations and investment analysis and currently he is working as an Independent Practicing Accountant.

## CONFIRMATIONS

As on the date of this Prospectus:

1. None of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013. or with any of the KMP of the Company. However, Jyoti Mundle is the Sister-in-Law of Ajit Mundle.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors are categorized as a willful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI (ICDR) Regulations.
5. None of our Directors are or were directors of any Listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
6. None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
7. None of the Promoter or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
8. No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company

## DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Annual General Meeting of our Company held on June 02, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 Crores.



## REMUNERATION OF EXECUTIVE DIRECTORS

### 1. Ajit Mundle, Chairman & Managing Director

The compensation payable to our Chairman & Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to him as resolved in the shareholders meeting held on May 29, 2023 is stated hereunder:

The total remuneration Payable to Ajit Mundle, Chairman and Managing Director, shall not exceed a sum of ₹ 1.5 Crore per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from May 29, 2023 to May 28, 2026.

### 2. Jyoti Mundle, Whole Time Director

The compensation payable to our Whole Time Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to her as resolved in the shareholders meeting held on May 29, 2023 is stated hereunder:

The total remuneration Payable to Jyoti Mundle, Whole Time Director, shall not exceed a sum of ₹ 1.5 Crore per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from May 29, 2023 to May 28, 2026.

## REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS BY OUR COMPANY

The remuneration / Compensation (including other benefits) paid to our current Directors by our company for F.Y. 2022-23 are as follows:

			<i>(₹ in lakhs)</i>
Sr. No.	Name of Director	Remuneration/ Compensation Paid	
1	Ajit Mundle		1,016.40
2	Jyoti Mundle		1,016.40

## PAYMENT OR BENEFIT TO NON – INDEPENDENT DIRECTOR AND NON - EXECUTIVE DIRECTORS OF OUR COMPANY

Pursuant to the resolution dated June 5, 2023 passed by the Board of Directors of our Company, the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹ 5,000 for attending every meeting of Board or its committee thereof.

The compensation payable to our Non-Executive Directors will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

## SHAREHOLDING OF OUR DIRECTORS

The following table sets forth the shareholding of our Directors as on the date of this Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Ajit Mundle	1,88,175	14.33%	10.06%
2.	Jyoti Mundle	2,19,863	16.74%	11.75%
	<b>Total</b>	<b>4,08,038</b>	<b>31.07%</b>	<b>21.80%</b>



## INTEREST OF DIRECTORS

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Other than Ajit Mundle and Jyoti Mundle who are the founders and the Directors of our Company, none of our Directors have any interest in the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired by the Company.

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 except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors in accordance with the terms of their appointment.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Except as disclosed in “*Note 25 Annexure V - Related Party Transactions*” on page no 129 of this Prospectus, our Directors do not have any interest in the Company or its business.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of the Director	Date of Change	Reason for Change
Ajit Mundle	May 29, 2023	Redesignated as Chairman & Managing Director
Jyoti Mundle	May 29, 2023	Redesignated as Whole Time Director
Nikhil Malpani	May 29, 2023	Appointed as Non-Executive Independent Director
Priyanka Moondra Rathi	May 29, 2023	Appointed as Non-Executive Independent Director
Mayuri Rupareliya	November 18, 2022	Appointed as Non-Executive Independent Director

## CORPORATE GOVERNANCE

In addition to the applicability of provisions of Companies Act, 2013 with respect to corporate governance, provisions of the SEBI (LODR) Regulations, 2015 have also been complied with, to the extent applicable to our Company.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Prospectus, our Board consists of Five (5) Directors including One (1) Managing Director, One (1) Whole Time Director, Three (3) Non-Executive Independent Directors. Out of the total composition, we have Three (3) Women Director on our Board.

The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;



## A. AUDIT COMMITTEE

Our Board has constituted the Audit Committee vide Board Resolution dated June 5, 2023 in accordance with the Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Nikhil Malpani	Non-Executive -Independent Director	Chairman
Mayuri Rupareliya	Non-Executive -Independent Director	Member
Ajit Mundle	Chairman & Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- a. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;
- c. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d. Approving payments to the statutory auditors, internal and cost auditors for any other services rendered by statutory auditors, internal and cost auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)I 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; and
  - vii. Qualifications and modified opinions in the audit report.
- f. Reviewing with the management, the quarterly, half – yearly and annual financial statements before submission to the Board for approval;
- g. Scrutiny of inter-corporate loans and investments;
- h. Valuation of undertakings or assets of our Company, wherever necessary;
- i. Evaluating internal financial controls and risk management systems;
- j. Approving or subsequently modifying transactions of our Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

Explanation: The term “related party transactions” shall have the same meaning as provided in Regulation 2(1) (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or Companies Act, 2013.



- k. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- l. Evaluating undertakings or assets of our Company, wherever necessary;
- m. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- n. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- o. 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;
- p. Discussing with internal auditors on any significant findings and follow up thereon;
- q. 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;
- r. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- t. Approving appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- u. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- v. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
- w. Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time.
- x. Reviewing the utilisation of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- y. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The powers of the Audit Committee include the following:**

- i. To investigate activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice;
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- v. To have full access to the information contained in the records of the Company.



**The Audit Committee shall mandatorily review the following information:**

- i. Management discussion and analysis of financial condition and result of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the chief internal auditor; and
- vi. Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - annual statement of funds utilized for purposes other than those stated in the Offer Document/Prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations

**Meeting of Audit Committee and Relevant Quorum**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

**B. NOMINATION AND REMUNERATION COMMITTEE**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution June 5, 2023 in accordance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Mayuri Rupareliya	Non – Executive Independent Director	Chairman
Priyanka Moondra Rathi	Non – Executive Independent Director	Member
Nikhil Malpani	Non – Executive Independent Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of independent directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;



- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee

#### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

#### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution June 5, 2023 in accordance with Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Ajit Mundle	Chairman & Managing Director	Chairman
Jyoti Mundle	Whole Time Director	Member
Mayuri Rupareliya	Non – Executive Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future.
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

#### **Meeting of Stakeholder's Relationship Committee**

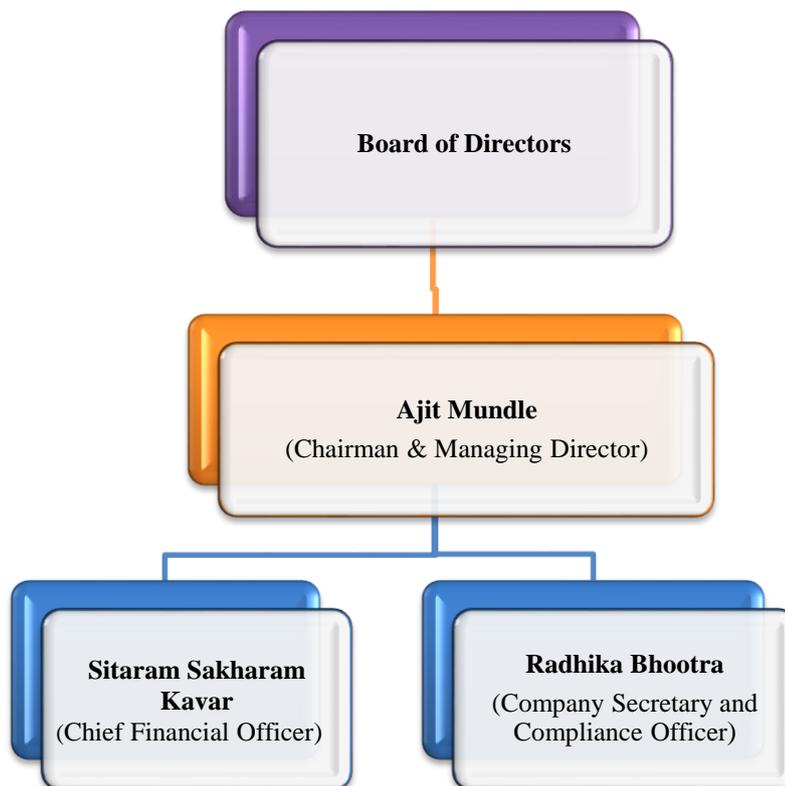
Stakeholder's Relationship Committee is required to meet at least once a year



## POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

### ORGANIZATIONAL STRUCTURE



### KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Name of Employee	Designation	Date of Appointment	Compensation for last Financial Year (₹ in Lakhs)	Qualification	Name of Previous Employer(s)	Total Years of Experience
Sitaram Sakharam Kavar	Chief Financial Officer	May 5, 2023	-	B.Com	M/s Transfer Systems	35 Years
Radhika Bhootra	Company Secretary and Compliance Officer	June 5, 2023	-	Company Secretary, Bcom and M.Com.	PCS Neelam Bhandari	1 Year

#### Other Notes –

- The aforementioned KMP's are on the payrolls of our Company as permanent employees.



- Further, none of our KMPs is forming part of related parties as per the Accounting Standard 18. For details, please see the chapter titled “*Financial Information- Note 25 Annexure V of Restated Financial Statements*” on page no.129 of this Prospectus.

#### **RELATIONSHIP AMONGST KEY MANAGEMENT PERSONNEL**

None of the aforementioned KMPs is related to each other.

#### **RELATIONSHIP BETWEEN THE KEY MANAGERIAL PERSONNEL AND DIRECTORS**

None of the aforementioned KMPs is related to Directors.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL**

None of our KMPs holds any shares of our Company as on the date of this Prospectus.

#### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL**

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

#### **INTEREST OF KEY MANAGERIAL 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. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

#### **LOANS TAKEN BY KEY MANAGEMENT PERSONNEL**

None of our Key Managerial Personnel have any outstanding loan from our Company as on the date of this Prospectus Except as disclosed in “*Note 25 Annexure V - Related Party Transactions*” on page no. 129 of this Prospectus.

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.

#### **BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS AND KEY MANAGEMENT PERSONNEL**

There is no profit sharing plan for the Key Managerial Personnel. However, our Company makes performance linked bonus payments, in accordance with their terms of appointment.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form part of their remuneration.

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Presently, we do not have ESOP/ESPS scheme for employees.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL**

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees.



## **CHANGES IN OUR KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS PROSPECTUS**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of filing of this Prospectus are set forth below.

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment / Change in Designation</b>	<b>Reason</b>
Radhika Bhootra	Company Secretary & Compliance Officer	June 5, 2023	Appointment
Sitaram Sakharam Kavar	Chief Financial Officer	May 5, 2023	Appointment



## OUR PROMOTERS AND PROMOTERS GROUP

The Promoters of our Company are

- **AJIT MUNDLE**
- **JYOTI MUNDLE**

As on the date of this Prospectus, our Promoters holds 4,08,038 Equity Shares in aggregate, representing 31.07% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoter's shareholding in our Company, please see "*Capital Structure – Shareholding of our Promoters* beginning on page no. 123 of this Prospectus.

### BRIEF PROFILE OF OUR INDIVIDUAL PROMOTER

<b>Ajit Mundle</b>	
	<p><b>Ajit Mundle</b>, aged 74 years, is the one of the founding promoter of the Company. He is currently designated as Chairman &amp; Managing Director of the company.</p> <p>For details of his residential address, date of birth, educational qualifications, professional experience, other directorships, positions / posts held in the past and other directorships, other ventures and special achievements, please refer to section titled "<i>Our Management</i>" on page 110 of this Prospectus.</p> <p><b>Permanent Account Number : AANPM5983D</b></p>
<b>Jyoti Mundle</b>	
	<p><b>Jyoti Mundle</b>, aged 77 years, is the one of the founding promoter of the Company. She is currently designated as Whole Time Director of the company.</p> <p>For details of her residential address, date of birth, educational qualifications, professional experience, other directorships, positions / posts held in the past and other directorships, other ventures and special achievements please refer to section titled "<i>Our Management</i>" on page 110 of this Prospectus.</p> <p><b>Permanent Account Number : AAHPM7156L</b></p>

### Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account Number, Passport Number, Driving License number and Aadhaar Card number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.

Our Promoters have not been declared as fugitive economic offenders under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.



## **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

## **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page no. 110 of this Prospectus.

## **INTEREST OF PROMOTERS**

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rent payable to the Promoter Group entity, hiring charges on vehicles owned by directors but used by our company, interest on loan (if any) and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 52, 129 and 110 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is 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 other than in the normal course of business. For further details, please refer the section titled “*Restated Financial Statement – Note V – Related Party Transactions*” on page no. 129 of this Prospectus.

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoters in the Property of our Company**

Our Promoters has confirmed that he does not have any interest 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 except as mentioned under the section “*Our Business - Properties*” and “*Financial Information-Restated Financial Statements*” on page nos. 90 and 129 respectively, of this Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” on page no 90 of this Prospectus our Promoters does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

## **BUSINESS INTERESTS**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Prospectus or proposes to enter into any such contract in which our Promoters is directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.



## PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS

Except as stated in the Section titled “*Financial Information of Restated Financial Statements*” on page no.129 of this Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Prospectus.

## MATERIAL GUARANTEES

Except as stated in the “*Financial Indebtedness*” and “*Financial Information*” beginning on page nos.161 and 129 of this Prospectus respectively, our Promoters has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

## OUR PROMOTERS GROUP

Apart from our Promoters, as per Regulation 2(1) (pp) of the SEBI (ICDR) Regulation, 2018, the following individuals and entities shall form part of our Promoter Group:

### A. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1) (pp) (ii) of the SEBI (ICDR) Regulations, 2018, the following individuals form part of our Promoter Group:

Name of the Promoters	Name of Relative	Relationship with the Promoter
Ajit Mundle	Late Shankar Mundle	Father
	Late Sudha Mundle	Mother
	Anjani Mundle	Wife
	Late Vijay Mundle	Brothers
	Pradeep Mundle	
	Shashank Mundle	Daughter
	Nandita Mundle	Wife Father
	Late Ram Kolatkar	Wife Mother
	Late Mangala Kolatkar	Daughter's Husband
	Austin Ganguli	Wife's Brother
	-	Wife's Sister
Jyoti Mundle	Late Prabhakar Gupte	Father
	Late Leela Gupte	Mother
	Late Vijay Mundle	Husband
	Late Neeti Pradhan	Sister(s)
	Kunal Mundle	Son(s)
	Gauri Dole -NRI	Daughter(s)
	Late Shankar Mundle	Husband Father
	Late Sudha Mundle	Husband Mother
	Ajit Mundle	Husband Brother(s)
	Pradeep Mundle	Husband Brother(s)
	Shashank Mundle	Husband Brother(s)
	-	Husband's Sister
Sudhir ( NRI)	Daughter's Husband	

### B. Companies / Corporate Entities Forming Part of the Promoter Group

Apart from our Promoters, as per Regulation 2(1) (pp) of the SEBI (ICDR) Regulation, 2018, the following entity shall form part of our Promoters Group:

- M/s Transfer Systems



## **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 52 of this Prospectus.

## **COMPANIES WITH WHICH THE PROMOTERS HAS DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Prospectus

## **OUTSTANDING LITIGATION**

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 21 and 163 of this Prospectus



## OUR GROUP COMPANIES

The definition of 'Group Companies' as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations, the term —Group Company includes such companies (other than Promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to a resolution dated June 5, 2023, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements; or (ii) such other company as deemed material by our Board. For the purposes of (ii) above, in terms of the materiality policy, a company shall be considered material and disclosed as a group company if the companies which are members of the Promoter Group of our Company and with which there were transactions in the most recent financial year and any stub period for which restated audited financial statements are included in the Offer Documents, which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the latest restated annual financial statements.

Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of 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. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company in the last three Financial Years.

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 while considering the dividend and other relevant factors and approval of the Equity Shareholders at their discretion. 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.



## SECTION VII- FINACIAL INFORMATION

### FINANCIAL STATEMENTS

To,

**The Board of Directors,  
Arrowhead Seperation Engineering Limited**  
Survey No-39, Mundhegaon Tal Igatpuri,  
Nashik 422403

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Statement along with the Significant Accounting Policies and related notes of Arrowhead Seperation Engineering Limited (the 'Company') as at and for period ended on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 annexed to this report and prepared by the Company for the purpose of inclusion in the Prospectus (being collectively referred as "Offer Document") in connection with its proposed Initial Public Offer ("IPO") on the SME Platform of the BSE Limited ("BSE").
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
  - i) Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("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 Offer Document being issued by the Company for its proposed IPO of equity shares on SME Platform of the BSE Limited ("BSE"); and
  - iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the period ended on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the 'Restated Statement of Assets and Liabilities' (**Annexure-I**) as on above dates and 'Restated Financial Statement of Cash Flows' (**Annexure-III**) as on above dates, forming part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon. The Restated Financial Information has been prepared by Company's management. The information has been extracted from the financial statements for the period ended on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021. The Financial Statements for the period ended June 30, 2023 and March 31, 2023 is audited by us, B.B Gusani & Associates being the Statutory Auditor of the Company, which was approved by the Board of Directors as on October 16, 2023 and June 19, 2023 respectively upon which we have placed our reliance while reporting The Financial Statement for the year ended March 31, 2022 and March 31, 2021 was audited by M/s. M.R Sharma & Co, Chartered Accountants, being the Statutory Auditor for the respective period of the Company, which were approved by the Board of Directors as on September 01, 2022 and November 09, 2021 respectively and upon which we have placed our reliance while reporting.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Arrowhead Seperation Engineering Limited, we, M/s. B.B Gusani & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
5. Based on our examination, we report that:



- a. The “Restated Financial Statement of Assets and Liabilities” as set out in **Annexure I**, “Restated Financial Statement of Profit and Loss” as set out in **Annexure II** and “Restated Financial Statement of Cash Flows” as set out in **Annexure III** to this report, of the Company as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the 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 IV & V** to this Report.
- b. The Restated Financial Statements have been made after incorporating adjustments for:
- The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
  - Prior period and other material amount in the respective financial years to which they relate.
  - Extra-ordinary items,if any, that needs to be disclosed separately in the accounts requiring adjustments, which are stated in the Notes to Accounts as set out in Annexure V.
- c. There were no qualifications in the Audit Reports issued by Statutory Auditor(s) for the period ended on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
6. At the request of the company, we have also examined the following financial information (“Other Financial Information”) proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure of Restated Financial Statements of the Company:-

- Statement of Equity Share Capital, as restated (Note– 3 of Annexure V)
- Statement of Reserves & Surplus, as restated (Note - 4 of Annexure V)
- Statement of Non- current Borrowings, as restated (Note- 5 of Annexure V)
- Statement of Long Term Provisions, as restated (Note- 6 of Annexure V)
- Statement of Short Term Borrowings, as restated (Note-7 of Annexure V)
- Statement of Trade Payables, as restated (Note8 of Annexure V)
- Statement of Other Current Liabilities, as restated (Note - 9 of Annexure V)
- Statement of Short Term Provisions, as restated (Note- 10 of Annexure V)
- Statement of Property, Plant and Equipment, as restated (Note- 11 of Annexure V)
- Statement of Deferred Tax Assets, as restated (Note- 12 of Annexure V)
- Statement of Long Terms Loans and Advances, as restated (Note- 13 of Annexure V)
- Statement of Inventories, as restated (Note- 14 of Annexure V)
- Statement of Trade Receivables, as restated (Note- 15 of Annexure V)
- Statement of Cash and Bank Balances, as restated (Note - 16 of Annexure V)
- Statement of Short Terms Loans and Advances, as restated (Note- 17 of Annexure V)
- Statement of Revenue from Operations, as restated (Note – 18 of Annexure V)
- Statement of Other Income, as restated (Note – 19 of Annexure V)
- Statement of Cost of Materials Consumed, as restated (Note – 20 of Annexure V)
- Statement of Change in Inventory, as restated (Note – 21 of Annexure V)
- Statement of Employee Benefit Expenses, as restated (Note – 22 of Annexure V)
- Statement of Finance Cost, as restated (Note – 23 of Annexure V)
- Statement of Other Expenses, as restated (Note – 24 of Annexure V)
- Statement of Related Party Transactions, as restated (Note – 25 of Annexure V)
- Statement of Earnings Per Share, as restated (Note- 26 of Annexure V)
- Statement of Income & Expenditure in Foreign Currency, as restated (Note - 27 of Annexure V)
- Statement of Ratio Analysis, as restated (Note- 28 of Annexure V)
- Statement of Commitment and Contingent Liabilities, as restated (Note- 29 of Annexure V)
- Statement of Consumption of spare parts and consumables, as restated (Note - 30 of Annexure V)
- Statement of Employee Benefits, as restated (Note – 31 of Annexure V)
- Statement of Other Statutory Information, as restated (Note - 32 of Annexure V)
- Statement of Adjustments to Audited Financial Statements appearing in (Annexure VI)
- Statement of Accounting Ratios, as restated (Annexure – VII)
- Statement of Capitalization, as restated (Annexure – VIII )



7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to VIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

8. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by 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.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For B.B Gusani & Associates**

Chartered Accountant

FRN: 140785W

Sd/-

**Bhargav Gusani**

**Proprietor**

**Mem No:** 120710

**Date:** October 25, 2023

**Place:** Jamnagar

**UDIN:** 23120710BGTXMR1911

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure I - Restated Financial Statement of Assets and Liabilities**

(Rs in lakhs)

Particulars		Note No	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>(I) EQUITY AND LIABILITIES</b>						
<b>1 Shareholder's Fund</b>						
a)	Equity share capital	3	131.33	131.33	80.82	80.82
b)	Reserves and Surplus	4	179.08	114.74	(3.56)	(12.73)
<b>Total Equity</b>			<b>310.41</b>	<b>246.07</b>	<b>77.26</b>	<b>68.09</b>
<b>2 Non-Current Liabilities</b>						
a)	Long term Borrowings	5	119.40	108.44	113.31	115.09
b)	Long-term Provisions	6	133.76	138.91	137.19	123.95
<b>Total Non-Current Liabilities</b>			<b>253.16</b>	<b>247.35</b>	<b>250.50</b>	<b>239.05</b>
<b>3 Current Liabilities</b>						
a)	Short-term Borrowings	7	776.62	704.23	586.14	485.49
b)	Trade Payables	8				
	Dues of Micro enterprises and small enterprises		292.09	273.15	115.45	229.16
	Dues of Others		109.00	103.35	171.33	78.15
c)	Other Current Liabilities	9	287.39	366.84	499.58	341.25
d)	Short-term Provisions	10	151.96	129.55	131.96	126.25
<b>Total Current Liabilities</b>			<b>1,617.05</b>	<b>1,577.11</b>	<b>1,504.47</b>	<b>1,260.30</b>
<b>Total Equity and Liabilities</b>			<b>2,180.62</b>	<b>2,070.53</b>	<b>1,832.23</b>	<b>1,567.43</b>
<b>(II) ASSETS</b>						
<b>1 Non-Current Assets</b>						
a)	Property, Plant and Equipments	11				
	i) Tangible Assets		28.73	29.27	32.41	34.39
	ii) Intangible Assets		0.00	0.00	0.98	3.19
b)	Defferred Tax Assets (Net)	12	2.64	2.65	2.36	1.27
c)	Long term Loans & Advances	13	6.71	12.76	36.65	36.34
<b>Total Non-Current Assets</b>			<b>38.08</b>	<b>44.68</b>	<b>72.40</b>	<b>75.20</b>
<b>2 Current Assets</b>						
a)	Inventories	14	608.52	843.78	933.48	637.41
b)	Trade Receivables	15	1,267.11	899.85	644.68	649.44
c)	Cash and Cash Equivalents	16	90.55	81.67	51.72	135.54
d)	Short-term Loans and Advances	17	176.37	200.56	129.95	69.85
<b>Total Current Assets</b>			<b>2,142.54</b>	<b>2,025.86</b>	<b>1,759.84</b>	<b>1,492.24</b>
<b>Total Assets</b>			<b>2,180.62</b>	<b>2,070.53</b>	<b>1,832.23</b>	<b>1,567.43</b>

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.  
As per our report of even date attached.

**For B.B Gusani & Associates**  
Chartered Accountants  
FRN- 140785W

Sd/-  
**Bhargav Gusani**  
Proprietor  
Membership No: 120710  
Date : October 25, 2023  
Place : Jamnagar  
UDIN : 23120710BGTXMR1911

**For and on behalf of board of directors**  
ARROWHEAD SEPERATION ENGINEERING LTD

Sd/-  
**Ajit Mundle**  
Managing Director  
DIN: 01745577  
Date: October 25, 2023  
Place : Mumbai

Sd/-  
**Sitaram S Kavar**  
Chief Financial Officer  
PAN:ADQPK1825Q  
Date: October 25, 2023  
Place : Mumbai

Sd/-  
**Jyoti Mundle**  
Director  
DIN: 01744211  
Date: October 25, 2023  
Place : Mumbai

Sd/-  
**Radhika Bhootra**  
Company Secretary  
PAN: DAXPB9451C  
Mem: A63203  
Date: October 25, 2023  
Place : Rajasthan

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure II - Restated Financial Statement of Profit and Loss**

(Rs in lakhs)

Particulars	Note No	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I INCOME</b>					
Revenue from Operations	18	872.26	2,150.10	1,087.13	912.29
Other Income	19	9.45	21.47	4.60	4.34
<b>Total Income</b>		<b>881.71</b>	<b>2,171.57</b>	<b>1,091.73</b>	<b>916.63</b>
<b>II EXPENSES</b>					
Cost of Material Consumed	20	348.22	1,188.15	831.37	636.15
Change in Inventories	21	215.00	135.01	(272.45)	(20.55)
Employee Benefit Expenses	22	76.28	314.16	318.18	249.65
Finance Costs	23	26.53	142.96	89.04	72.69
Depreciation & Amortisation Expenses	11	0.54	3.75	5.75	6.46
Other Expenses	24	129.17	203.73	106.92	95.28
<b>Total Expenses</b>		<b>795.72</b>	<b>1,987.77</b>	<b>1,078.81</b>	<b>1,039.68</b>
<b>III Profit/(Loss) before exceptional and extraordinary items:</b>		<b>85.99</b>	<b>183.80</b>	<b>12.92</b>	<b>(123.05)</b>
Exceptional items		-	-	-	-
Extraordinary Items		-	-	-	-
<b>IV Profit/(Loss) Before Tax</b>		<b>85.99</b>	<b>183.80</b>	<b>12.92</b>	<b>(123.05)</b>
Tax Expenses					
Current Tax		21.64	13.91	-	-
Deffered Tax		(0.01)	0.28	1.09	(0.04)
Short/Excess provision		-	1.00	4.84	56.10
Total tax		21.65	14.62	3.75	56.14
<b>V Profit/(Loss) for the year</b>		<b>64.34</b>	<b>169.18</b>	<b>9.17</b>	<b>(179.19)</b>
Earning per share (Face Value-10)	26				
Basic		4.90	12.88	0.70	(13.64)
Diluted		4.90	12.88	0.70	(13.64)

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached.

**For B.B Gusani & Associates**

Chartered Accountants  
FRN- 140785W

Sd/-

**Bhargav Gusani**

Proprietor  
Membership No: 120710  
Date : October 25, 2023  
Place : Jamnagar  
UDIN : 23120710BGTXMR1911

**For and on behalf of board of director:**

ARROWHEAD SEPERATION ENGINEERING LTD

Sd/-

**Ajit Mundle**

Managing Director  
DIN: 01745577  
Date: October 25, 2023  
Place :Mumbai

Sd/-

**Sitaram S Kavar**

Chief Financial Officer  
PAN:ADQPK1825Q  
Date: October 25, 2023  
Place : Mumbai

Sd/-

**Jyoti Mundle**

Director  
DIN: 01744211  
Date: October 25, 2023  
Place : Mumbai

Sd/-

**Radhika Bhootra**

Company Secretary  
PAN: DAXPB9451C  
Mem: A63203  
Date: October 25, 2023  
Place : Rajasthan

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure III - Restated Cash Flow Statement**

(Rs in lakhs)

Particulars	For the year ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(I) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before tax	85.99	183.80	12.92	(123.05)
<u>Adjustments</u>				
Add: Depreciation	0.54	3.75	5.75	6.46
Interest Income	(1.05)	(2.41)	(4.60)	(4.34)
Finance Cost	26.53	142.96	89.04	72.69
Change in gratuity provision	(5.15)	1.71	13.24	(3.81)
Operating profit before working capital changes	<u>106.86</u>	<u>329.81</u>	<u>116.34</u>	<u>(52.05)</u>
Increase/ (Decrease) in Trade payables	24.59	89.72	(20.53)	65.15
(Increase)/ Decrease in Current Liabilities	(79.45)	(132.74)	158.34	63.22
Increase/ (Decrease) in Short term provisions	22.41	(2.42)	5.72	15.85
(Increase)/ Decrease in Inventory	235.26	89.71	(296.08)	(14.96)
(Increase)/ Decrease in Trade Receivables	(367.25)	(255.17)	4.75	44.02
(Increase)/ Decrease in Long Term Loans and advances	6.05	23.89	(0.31)	(12.95)
(Increase)/ Decrease in Short term loans and advances	24.19	(70.61)	(60.09)	39.03
Cash flow from operations	(27.35)	72.18	(91.86)	147.31
Less: Tax paid during the year	21.64	14.91	4.84	56.10
<b>Net Cash Flow from Operating Activities</b>	<b>(48.99)</b>	<b>57.28</b>	<b>(96.70)</b>	<b>91.21</b>
<b>(II) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	-	-	(1.55)	-
<b>Net Cash Flow from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>(1.55)</b>	<b>-</b>
<b>(III) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Finance cost	(26.53)	(142.96)	(89.04)	(72.69)
Interest Income	1.05	2.41	4.60	4.34
Proceeds from Short-term Borrowings	72.39	118.08	100.65	34.84
Proceeds from Long-term borrowings	10.95	(4.87)	(1.78)	(5.15)
<b>Net Cash Flow from Financing Activities</b>	<b>57.87</b>	<b>(27.33)</b>	<b>14.44</b>	<b>(38.67)</b>
<b>V Net change in Cash and Cash Equivalents ( I+II+III)</b>	<b>8.88</b>	<b>29.94</b>	<b>(83.81)</b>	<b>52.54</b>
Cash and Cash Equivalents at the beginning of the year	81.67	51.72	135.54	83.00
Cash and Cash Equivalents at the end of the year	90.55	81.67	51.73	135.54

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached.

**For B.B Gusani & Associates**

Chartered Accountants  
FRN- 140785W

**Sd/-**

**Bhargav Gusani**

Proprietor

Membership No: 120710

Date : October 25, 2023

Place : Jamnagar

UDIN : 23120710BGTXMR1911

**For and on behalf of board of directors**

ARROWHEAD SEPERATION ENGINEERING LTD

**Sd/-**

**Ajit Mundle**

Managing Director

DIN: 01745577

Date: October 25, 2023

Place :Mumbai

**Sd/-**

**Jyoti Mundle**

Director

DIN: 01744211

Date: October 25, 2023

Place : Mumbai

**Sd/-**

**Sitaram S Kavar**

Chief Financial Officer

PAN:ADQPK1825Q

Date: October 25, 2023

Place : Mumbai

**Sd/-**

**Radhika Bhootra**

Company Secretary

PAN: DAXPB9451C

Mem: A63203

Date: October 25, 2023

Place : Rajasthan

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
**CIN:U74210MH1991PLC062643**

**Annexure-IV Basis of preparation and Significant Accounting Policies**

**1 Company Overview**

Arrowhead Seperation Engineering Ltd. Company incorporated on July 25th, 1991, having its registered office at Survey No-39, Mundhegaon Tal Iyatpuri Nasik, Maharashtra. Managing Director and Whole-time Directors of the company are Mr. Ajit Mundle & Mrs Jyoti Mundle respectively. The primary objective for the formation of the Company is to carry on the business of designing, manufacturing, erection, commissioning trading and consultancy of chemical and process equipment by means of technology available indigenously or otherwise.

**2 Basis of preparation and presentation of Restated Financial Statements**

These financial statements have been prepared in accordance with generally accepted accounting principles ('GAAP') in India under the historical cost convention on the accrual basis of accounting. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 (hereinafter together referred to as 'the Act') and Schedule III of the Act.

The Restated financial information has been prepared for inclusion in the Prospectus (Offer Document) to be filed by the Company with the SME platform of BSE in connection with proposed Initial Public Offering of its equity shares of face value of Rs 10 each of the Company comprising a fresh issue of equity shares, in accordance with the requirements of:

- a) Section 26 of part I of Chapter III of the Act;
- b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- c) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ('ICAI').

The Restated financial information have been compiled from:

- a) the audited financial statement of the Company as at June 30, 2023 which have been approved by the Board of Directors at their meeting held on October 16, 2023.
- b) the audited financial statement of the Company as at March 31, 2023 which have been approved by the Board of Directors at their meeting held on June 19, 2023.
- c) the audited financial statement of the Company as at March 31, 2022 which have been approved by the Board of Directors at their meeting held on September 01, 2022.
- d) the audited financial statement of the Company as at March 31, 2021 which have been approved by the Board of Directors at their meeting held on November 09, 2021.

There were no qualifications in the Audit Reports issued by Statutory Auditor(s) for the year ended on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**Significant accounting policies**

**a) Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

**b) Current and Non-current classification**

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current or non-current classification of assets and liabilities.

All other liabilities are classified as non-current.

**c) Property, plant and equipment**

Property plant and equipment are stated at their cost of acquisition, less accumulated depreciation/ amortisation and impairment loss. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. Parts (major components) of an item of Property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

**d) Depreciation method, estimated useful lives and residual value**

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The new Companies Act prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for the different class of assets. Other assets are depreciated over their balance useful life. The estimated useful lives considered are as under:

Plant and Machinery: 15 years  
Building: 60 years  
Vehicles: 8 years  
Furniture and Fixtures: 10 years  
Office Equipments: 5 years  
Computers: 3 years  
Software: 10 years

**e) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

**f) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**g) Inventories**

Inventory consists of Raw material, Work in progress and Finished goods is valued at cost. Cost of inventories comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and condition. Cost is assigned on First-In-First-Out (FIFO) basis. Obsolete, defective and unserviceable stocks are provided for, wherever required.

**h) Cash and cash equivalents**

Cash equivalents represent highly liquid investments with remaining maturities, at the date of purchase/investment, of three months or less. As of the balance sheet date, the Company had no such investment. Cash and cash equivalents comprise of cash in hand and balance in bank accounts.

**i) Revenue recognition**

The Company's revenue majorly represents revenue from sale of equipments. The Company derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

The various discounts and rate differences on the sales those accepted/rejected are accounted in the year, however if the same is of material amount effecting the current year profit/loss are separately shown under the prior period head of the profit and loss account.

**j) Other operational revenue**

Other operational revenue represent income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

**k) Interest**

Interest income is recognized on a time proportion basis by considering the amount outstanding and rate applicable.

**l) Retirement and employee benefits**

Contributions to secure retiral benefits in respect of provident fund, based on applicable rules/status, are charges to revenue.

**m) Borrowing cost**

As per AS 16, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

**n) Income taxes**

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and minimum alternate tax.

**Current tax**

Current tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

**Deferred tax**

Deferred tax is provided on timing differences between taxable income and accounting income subject to consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

**o) Earnings per share**

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard - 20. The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares outstanding during the period.

**p) Segment Reporting**

The Company operates in a single primary business segment . Hence, there are no reportable segment as per AS 17 Segment Reporting

**q) Provisions and contingent liabilities**

The Company recognizes a provision when there is a present obligation arising from a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure V - Restated Financial Information**

(Rs in lakhs)

**3 Share capital**

a) Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Authorised share capital</b>				
1,00,000 equity shares of Rs 100 each	100.00	100.00	100.00	100.00
Add: 1,00,000 equity shares of Rs 100 each	100.00	100.00	-	-
Sub division of share nominal value to 10	200.00	200.00	-	-
<b>20,00,000 equity shares of Rs 10 each</b>	<b>200.00</b>	<b>200.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Issued share capital</b>				
Equity Share capital at the beginning of the year	131.33	80.82	80.82	80.82
Sub division of share nominal value to 10 (8,08,200 shares of Rs. 10 each)	-	80.82	-	-
Bonus Shares issued	-	50.51	-	-
<b>Total</b>	<b>131.33</b>	<b>131.33</b>	<b>80.82</b>	<b>80.82</b>

b) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Equity Shares ( in nos)</b>				
Shares outstanding at the beginning of the year	13 13 325	80,820	80,820	80,820
Sub division of shares to F.V 10	-	808,200	-	-
Shares issued during the period	-	505,125	-	-
<b>Shares Outstanding at the end of the period</b>	<b>1,313,325</b>	<b>1,313,325</b>	<b>80,820</b>	<b>80,820</b>
<b>Equity Share Capital ( in lakhs)</b>				
Share Capital outstanding at the beginning of the year	131.33	80.82	80.82	80.82
Sub division of shares to F.V 10	-	80.82	-	-
Share Capital issued during the year	-	50.51	-	-
<b>Equity Shares Capital at the end of the period</b>	<b>131.33</b>	<b>131.33</b>	<b>80.82</b>	<b>80.82</b>

c) Name of Equity Shareholders holding more than 5% equity shares

Name of Shareholder	No of shares held	% of Holding	% Change during the Year
<b>Ajit Mundle</b>			
June 30, 2023	188,175	14.33%	-
March 31, 2023	188,175	14.33%	-
March 31, 2022	11,580	14.33%	-
March 31, 2021	11,580	14.33%	-
<b>Jyoti Mundle</b>			
June 30, 2023	219,863	16.74%	-
March 31, 2023	219,863	16.74%	-
March 31, 2022	13,530	16.74%	-
March 31, 2021	13,530	16.74%	-
<b>Anjani Mundle</b>			
June 30, 2023	232,375	17.69%	-
March 31, 2023	232,375	17.69%	14.85%
March 31, 2022	2,300	2.85%	-
March 31, 2021	2,300	2.85%	-
<b>Shreenath Chaturvedi</b>			
June 30, 2023	124,670	9.49%	-
March 31, 2023	124,670	9.49%	9.49%
March 31, 2022	-	-	-
March 31, 2021	-	-	-
<b>Bhavna Vassa</b>			
June 30, 2023	124,670	9.49%	-
March 31, 2023	124,670	9.49%	9.49%
March 31, 2022	-	-	-
March 31, 2021	-	-	-
<b>Amoolya Vassa</b>			
June 30, 2023	113,750	8.66%	-
March 31, 2023	113,750	8.66%	8.66%
March 31, 2022	-	-	-
March 31, 2021	-	-	-
<b>Meloni Shah</b>			
June 30, 2023	87,750	6.68%	-
March 31, 2023	87,750	6.68%	6.68%
March 31, 2022	-	-	-
March 31, 2021	-	-	-

Name of Shareholder	No of shares held	% of Holding	% Change during the Year
<b>Anupam Vassa</b>			
June 30, 2023	108,322	8.25%	-
March 31, 2023	108,322	8.25%	8.25%
March 31, 2022	-	-	-
March 31, 2021	-	-	-
<b>Jayant Akhave</b>			
June 30, 2023	-	-	-
March 31, 2023	-	-	-14.85%
March 31, 2022	12,000	14.85%	-
March 31, 2021	12,000	14.85%	-
<b>M/s R Simon Dryers</b>			
June 30, 2023	-	-	-
March 31, 2023	-	-	-50.00%
March 31, 2022	40,410	50.00%	-
March 31, 2021	40,410	50.00%	-

**d) Shares held by promoters at the year end**

Name of Shareholder	No of shares held	% of Holding	% Change during the Year
<b>Ajit Mundle</b>			
June 30, 2023	188,175	14.33%	-
March 31, 2023	188,175	14.33%	-
March 31, 2022	11,580	14.33%	-
March 31, 2021	11,580	14.33%	-
<b>Jyoti Mundle</b>			
June 30, 2023	219,863	16.74%	-
March 31, 2023	219,863	16.74%	-
March 31, 2022	13,530	16.74%	-
March 31, 2021	13,530	16.74%	-

**e) Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

**f) No dividend is declared by the Company during the period ended on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021**

Notes:

i) The Company has increased its authorized share capital from 1 lakh shares to 2 lakhs shares at the Board Meeting held on 30th September and further sub-divided to 20 lakh shares at the Board Meeting held on 6th October, 2022.

ii) On 25th October 2022, the Company has issued and allotted 5,05,125 equity shares having face value of Rs. 10 each by way of Bonus Shares in ratio of 625:1000 to the existing shareholders.

iii) The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

iv) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the time of commencement of winding-up.

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure V - Restated Financial Information**

(Rs in lakhs)

**4 Reserves and Surplus**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Retained Earnings and General Reserves</b>				
Opening balance	114.74	(16.90)	(26.07)	153.20
Profit during the year	64.34	169.18	9.17	(179.19)
Less: Bonus Shares issued during the year	-	(37.18)	-	-
Less: Depreciation adjusted as per Co Act, 2013	-	(0.37)	-	(0.07)
<b>Closing balance (A)</b>	<b>179.08</b>	<b>114.74</b>	<b>(16.90)</b>	<b>(26.07)</b>
<b>Securities Premium</b>				
Opening balance	-	13.34	13.34	13.34
Less: Bonus Shares issued during the year	-	(13.34)	-	-
<b>Closing balance (B)</b>	<b>-</b>	<b>-</b>	<b>13.34</b>	<b>13.34</b>
<b>Total (A+B)</b>	<b>179.08</b>	<b>114.74</b>	<b>(3.56)</b>	<b>(12.73)</b>

**5 Non- Current Borrowings**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<i>Secured Loan</i>				
Yes Bank- Car Loan	1.48	2.20	4.88	7.33
Term Loan against property	120.83	123.57	125.59	128.83
Total (a)	122.31	125.76	130.47	136.16
<i>Unsecured Loans</i>				
Loan from directors	10.40	10.40	11.40	7.50
Total (b)	10.40	10.40	11.40	7.50
<i>Current Maturities of Long-term Liabilities ( c )</i>	13.31	27.72	28.56	28.56
<b>Total (a+b+c)</b>	<b>119.40</b>	<b>108.44</b>	<b>113.31</b>	<b>115.09</b>

Above secured loans includes interest accrued and not due

Terms of Borrowings

- Car Loan is secured against G CVT Car.
- Term loans : Exclusive first charge by way of equitable or registered mortgage of the property situated at W-164 , Ttc Industrial Area, Village
- Loan from Directors are interest free.

Particulars	Sanction Limit	Tenure	Emi per month	Closing Balance
Car Loan-Yes Bank	12.06	60.00	0.25	1.48
Term Loan-Piramal Capital & Housing Finance Ltd.	151.28	120.00	2.13	120.83

**6 Long-term provisions**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Long term provision for Gratuity	116.61	121.76	120.04	106.80
Provision for Income Tax (earlier years)	17.15	17.15	17.15	17.15
<b>Total</b>	<b>133.76</b>	<b>138.91</b>	<b>137.19</b>	<b>123.95</b>

**7 Short term Borrowings**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<i>Secured Loans</i>				
Borrowings from Financial Institution:	489.88	495.22	473.59	389.49
Total (a)	489.88	495.22	473.59	389.49
<i>Unsecured Loans</i>				
Loan from related parties	45.00	45.00	45.00	45.00
Loan from NBFC's	228.43	136.29	38.99	22.44
Total (b)	273.43	181.29	83.99	67.44
<i>Current Maturities of Long-term Liabilities ( c )</i>	13.31	27.72	28.56	28.56
<b>Total (a+b+ c)</b>	<b>776.62</b>	<b>704.23</b>	<b>586.14</b>	<b>485.49</b>

a) Terms of Secured Loan:

Primary Security: Hypothecation of entire current assets of the company both present and future

Collateral Security:

Second Charge on entire fixed asset both immovable and movable (existing as well as future) of the company located at Survey No. 39, Village Mundhegaon, Taluka Igatpuri, District Nashik-422403, Maharashtra.

Registered Mortgage of Flat No. 203, Navdurga apartment, Govandi, Mumbai-400088 in the name of Smt.Anjani A Mundle

FDR of Rs. 10 lakh (Lien marked on FD of 5lakh each).

Guarantee: Shri Ajit Shankar Mundle, Smt. Jyoti Vijay Mundle and Anjani Ajit Mundle

b) Terms of Unsecured Loan:

Loan from related parties is payable on demand and is interest free.

Our Company has availed unsecured loan from NBFC's aggregating to Rs 228.43 lakhs with and interest charge between 16% to 18.00%. Of these Rs. 28.43 lakhs is being repaid on EMI Basis month on month and remaining are repayable on demand.

**8 Trade Payables**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	292.09	273.15	115.45	229.16
- Total outstanding dues other than micro enterprises and small enterprises	109.00	103.35	171.33	78.15
<b>Total</b>	<b>401.09</b>	<b>376.49</b>	<b>286.78</b>	<b>307.31</b>

The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. There are no dues to micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date.

#### Ageing of Trade Payables

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Micro enterprises and small enterprise:				
Outstanding for following periods from due date of payment				
Less than 1 year	212.06	253.85	104.28	211.85
1-2 years	66.22	14.98	8.00	11.88
2-3 years	11.22	2.01	2.41	3.13
More than 3 years	2.59	2.30	0.77	2.29
<b>Total</b>	<b>292.09</b>	<b>273.15</b>	<b>115.45</b>	<b>229.16</b>
(ii) other than micro enterprises and small enterprise:				
Outstanding for following periods from due date of payment				
Less than 1 year	64.62	65.70	113.60	37.76
1-2 years	17.53	12.16	13.34	12.81
2-3 years	3.26	1.26	23.93	2.63
More than 3 years	23.60	24.23	20.46	24.94
<b>Total</b>	<b>109.00</b>	<b>103.35</b>	<b>171.33</b>	<b>78.15</b>
(iii) Disputed Dues MSME	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-
<b>Total</b>	<b>401.09</b>	<b>376.49</b>	<b>286.78</b>	<b>307.31</b>

#### 9 Other Current Liabilities

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Statutory Liabilities	61.72	77.87	71.39	94.02
Advance from customers	225.66	288.97	428.20	247.22
<b>Total</b>	<b>287.39</b>	<b>366.84</b>	<b>499.58</b>	<b>341.25</b>

\* Out of Statutory Dues for ESIC, PF, P Tax and TDS amounting to Rs 5234.50 till the period of March 31, 2023, dues amounting to Rs 5120.152 were paid before September 30, 2023.

#### 10 Short-term provisions

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Employee benefit	116.41	115.64	131.96	126.25
Provision for Income Tax F.Y 2022-23*	13.91	13.91	-	-
Provision for Income tax F.Y 2023-24 ( Quarter 1)	21.64	-	-	-
<b>Total</b>	<b>151.96</b>	<b>129.55</b>	<b>131.96</b>	<b>126.25</b>

\*Income Tax dues for F.Y 22-23 amounting to Rs. 1390.58 were paid before September 30, 2023.

#### 12 Deferred tax assets (Net)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2.65	2.36	1.27	1.32
Add: During the year adjustment	(0.01)	0.28	1.09	(0.04)
<b>Balance at the end of the year</b>	<b>2.64</b>	<b>2.65</b>	<b>2.36</b>	<b>1.27</b>

#### 13 Long term Loans & Advances

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Security Deposit	4.30	3.75	4.26	4.26
Loans and Advances to employees	2.41	9.02	32.39	32.08
<b>Total</b>	<b>6.71</b>	<b>12.76</b>	<b>36.65</b>	<b>36.34</b>

#### 14 Inventories

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Raw Material	103.82	124.08	78.78	55.15
Work in Progress	504.70	719.70	854.71	582.26
<b>Total</b>	<b>608.52</b>	<b>843.78</b>	<b>933.48</b>	<b>637.41</b>

#### 15 Trade Receivables

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good	1,267.11	899.85	644.68	649.44
<b>Total</b>	<b>1,267.11</b>	<b>899.85</b>	<b>644.68</b>	<b>649.44</b>

#### Ageing of Trade Receivables

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Unsecured, Considered good				
Outstanding for following periods from due date of payment				
Less than 6 months	588.16	334.47	92.78	107.77
6 months -1 year	235.87	36.87	48.54	4.76
1-2 years	6.70	97.94	32.09	44.73
2-3 years	100.41	10.19	24.26	106.72
More than 3 years	335.96	420.39	447.01	385.46
<b>Total</b>	<b>1,267.11</b>	<b>899.85</b>	<b>644.68</b>	<b>649.44</b>

**16 Cash and Cash Equivalents**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash In Hand	10.65	6.52	0.29	1.24
Balances with banks :				
- Current accounts	5.51	1.81	1.11	48.36
- Deposit Account (More than 12m maturity)	74.39	73.34	60.90	85.94
OD against FDR-IDBI	-	-	(10.57)	-
<b>Total</b>	<b>90.55</b>	<b>81.67</b>	<b>51.72</b>	<b>135.54</b>

**17 Short-term loans & advances**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(Unsecured , Considered Good)				
Balance with government Authorities	82.26	72.99	5.48	0.74
Advance to supplier for material	92.99	125.32	122.74	69.11
Prepaid Insurance	0.68	1.10	1.73	-
MAT tax credit (AY22-23)	-	1.15	-	-
Other Advances	0.44	-	-	-
<b>Total</b>	<b>176.37</b>	<b>200.56</b>	<b>129.95</b>	<b>69.85</b>

**18 Revenue from operation**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products				
<i>Sales-Local</i>	329.40	947.10	1,015.59	892.14
<i>Sales-Export</i>	527.46	1,191.59	35.53	2.63
Sale of Service	15.40	11.42	36.01	17.52
<b>Total</b>	<b>872.26</b>	<b>2,150.10</b>	<b>1,087.13</b>	<b>912.29</b>

**19 Other Income**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	1.05	2.41	4.60	4.34
Foreign Exchange Gain	0.00	0.51	-	-
Duty Drawback from Custom	8.40	18.54	-	-
<b>Total</b>	<b>9.45</b>	<b>21.47</b>	<b>4.60</b>	<b>4.34</b>

**20 Cost of Material Consumed**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock of Material	124.08	78.78	55.15	60.75
Add: Purchases of Material	271.07	986.83	700.14	442.14
<i>Add: Direct Expenses</i>				
Power and Fuel	4.42	14.55	12.13	11.58
Sub-contracting charges / Processing charges	41.30	189.51	102.56	145.68
Repair & Maintenance-Machinery	1.62	15.90	4.79	0.55
Freight and forwarding	9.06	16.55	34.00	27.46
Testing Charges	0.49	10.11	1.36	3.15
Total direct expenses	56.88	246.62	154.85	188.41
Less: Closing Stock	103.82	124.08	78.78	55.15
<b>Total</b>	<b>348.22</b>	<b>1,188.15</b>	<b>831.37</b>	<b>636.15</b>

**21 Change in Inventories**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock of WIP	719.70	854.71	582.26	561.70
Closing Stock of WIP	504.70	719.70	854.71	582.26
<b>Total</b>	<b>215.00</b>	<b>135.01</b>	<b>(272.45)</b>	<b>(20.55)</b>

**22 Employee Benefit Expenses**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages	63.09	246.41	267.16	210.97
Director Remuneration	5.08	20.33	20.33	14.01
Gratuity Expenses	1.87	7.48	15.89	5.35
Contribution to Provident Fund	2.80	11.80	12.13	11.95
Contribution to ESIC	0.07	0.88	-	-
Bonus	0.00	19.79	-	-
Staff and Labour welfare expense(incl insurance)	3.37	7.48	2.67	7.37
<b>Total</b>	<b>76.28</b>	<b>314.16</b>	<b>318.18</b>	<b>249.65</b>

23 Finance Costs

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	26.16	133.03	89.04	72.69
Loan processing fees and commissions	0.36	9.93	-	-
<b>Total</b>	<b>26.53</b>	<b>142.96</b>	<b>89.04</b>	<b>72.69</b>

24 Other Expenses

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees to statutory auditor (Refer note below)	0.25	1.00	1.00	1.00
Legal and Professional	6.46	41.32	22.08	2.33
Bank Charges	0.09	12.08	3.85	9.25
Water	0.09	1.54	0.78	0.07
Rent	6.00	24.00	24.00	24.00
Repairs and maintenance- Others	2.04	3.62	2.23	3.94
Repairs & Maintenance- Vehicles	0.90	3.36	-	-
Hiring Charges	3.88	20.78	-	-
Insurance expense	0.60	2.33	4.32	5.47
ROC, Legal Filing fees & charges	0.77	6.26	1.75	3.18
Communication expenses	0.38	0.76	1.29	1.93
Travelling and conveyance	2.96	15.48	10.34	9.94
Printing & stationery expense	0.39	1.48	0.84	0.58
Bad Debts	91.98	49.40	-	-
Advertising Expenses	1.77	0.00	0.28	1.23
Security Charges	3.83	14.47	-	-
Miscellaneous expense	6.79	5.86	34.15	32.35
<b>Total</b>	<b>129.17</b>	<b>203.73</b>	<b>106.92</b>	<b>95.28</b>

**Payment to auditor**

- Audit fees	0.25	1.00	1.00	1.00
<b>Total</b>	<b>0.25</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure V - Restated Financial Information**

*(Rs in lakhs)*

<b>11 Property, Plant and Equipments</b>									
Particulars	Tangible Assets								Intangible Assets
	Land	Building	Plant & Machinery	Office Equipments	Furniture And Fixtures	Computer	Vehicles	Total Tangible Assets	Software
<i>Gross carrying amount</i>									
As at April 01, 2023	6.65	79.86	80.67	23.01	9.25	14.45	13.03	226.92	30.17
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at June 30, 2023</b>	<b>6.65</b>	<b>79.86</b>	<b>80.67</b>	<b>23.01</b>	<b>9.25</b>	<b>14.45</b>	<b>13.03</b>	<b>226.92</b>	<b>30.17</b>
<i>Accumulated depreciation</i>									
As at April 01, 2023	0.00	62.38	78.41	23.01	9.03	14.45	10.39	197.66	30.16
Charge for the year	0.00	0.21	0.10	-	0.01	-	0.21	0.54	0.00
On disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at June 30, 2023</b>	<b>0.00</b>	<b>62.59</b>	<b>78.51</b>	<b>23.01</b>	<b>9.04</b>	<b>14.45</b>	<b>10.59</b>	<b>198.19</b>	<b>30.16</b>
<b>Net carrying amount as at June 30, 2023</b>	<b>6.65</b>	<b>17.27</b>	<b>2.16</b>	<b>0.00</b>	<b>0.21</b>	<b>0.00</b>	<b>2.44</b>	<b>28.73</b>	<b>0.00</b>
<i>Gross carrying amount</i>									
As at April 01, 2022	6.65	79.86	80.91	23.01	9.38	14.45	13.03	227.29	30.17
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.24	0.00	0.13	0.00	0.00	0.37	0.00
<b>As at March 31, 2023</b>	<b>6.65</b>	<b>79.86</b>	<b>80.67</b>	<b>23.01</b>	<b>9.25</b>	<b>14.45</b>	<b>13.03</b>	<b>226.92</b>	<b>30.17</b>
<i>Accumulated depreciation</i>									
As at April 01, 2022	0.00	61.48	77.85	23.01	8.90	14.45	9.18	194.88	29.19
Charge for the year	0.00	0.89	0.55	-	0.12	-	1.20	2.77	0.98
On disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2023</b>	<b>0.00</b>	<b>62.38</b>	<b>78.41</b>	<b>23.01</b>	<b>9.03</b>	<b>14.45</b>	<b>10.39</b>	<b>197.66</b>	<b>30.16</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>6.65</b>	<b>17.48</b>	<b>2.27</b>	<b>0.00</b>	<b>0.22</b>	<b>0.00</b>	<b>2.64</b>	<b>29.27</b>	<b>0.00</b>
<i>Gross carrying amount</i>									
As at April 01, 2021	6.65	79.86	79.36	23.01	9.38	14.45	13.03	225.74	30.17
Additions	0.00	0.00	1.55	0.00	0.00	0.00	0.00	1.55	0
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2022</b>	<b>6.65</b>	<b>79.86</b>	<b>80.91</b>	<b>23.01</b>	<b>9.38</b>	<b>14.45</b>	<b>13.03</b>	<b>227.29</b>	<b>30.17</b>
<i>Accumulated depreciation</i>									
As at April 01, 2021	0.00	60.54	77.18	23.01	8.74	14.45	7.43	191.35	26.97
Charge for the year	0.00	0.94	0.67	0.00	0.16	0.00	1.75	3.53	2.22
On disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2022</b>	<b>0.00</b>	<b>61.48</b>	<b>77.85</b>	<b>23.01</b>	<b>8.90</b>	<b>14.45</b>	<b>9.18</b>	<b>194.88</b>	<b>29.19</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>6.65</b>	<b>18.38</b>	<b>3.06</b>	<b>0.00</b>	<b>0.48</b>	<b>0.00</b>	<b>3.85</b>	<b>32.41</b>	<b>0.98</b>
<i>Gross carrying amount</i>									
As at April 01, 2020	6.65	79.86	79.43	23.01	9.38	14.45	13.03	225.81	30.17
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.07	0.00
<b>As at March 31, 2021</b>	<b>6.65</b>	<b>79.86</b>	<b>79.36</b>	<b>23.01</b>	<b>9.38</b>	<b>14.45</b>	<b>13.03</b>	<b>225.74</b>	<b>30.17</b>
<i>Accumulated depreciation</i>									
As at April 01, 2020	0.00	59.55	76.70	23.01	8.52	14.45	4.88	187.11	24.75
Charge for the year	0.00	0.99	0.48	0.00	0.22	0.00	2.55	4.24	2.22
On disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2021</b>	<b>0.00</b>	<b>60.54</b>	<b>77.18</b>	<b>23.01</b>	<b>8.74</b>	<b>14.45</b>	<b>7.43</b>	<b>191.35</b>	<b>26.97</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>6.65</b>	<b>19.32</b>	<b>2.18</b>	<b>0.00</b>	<b>0.64</b>	<b>0.00</b>	<b>5.60</b>	<b>34.39</b>	<b>3.19</b>

*Immovable property are in the name of Company*

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure V - Restated Financial Information**

(Rs in lakhs)

**25 Related Party Transactions**

a) **Related Parties**

Name of the party	Nature of relationship
<b>Promoter and Key Managerial Personnel</b>	
Ajit S Mundle	Managing Director
Jyoti V Mundle	Whole time Director
<b>Key Managerial Personnel</b>	
Sitaram S Kavav	Chief Financial Officer
Radhika Bhootra	Company Secretary
<b>Promoter Group</b>	
M/s Transfer Systems	Enterprises over which KMP is able to exercise significant influence.

b) **Particulars of transactions with related parties**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<i>Ajit S Mundle</i>				
Director Remuneration	2.54	10.16	10.16	7.00
<i>Jyoti V Mundle</i>				
Director Remuneration	2.54	10.16	10.16	7.00
<i>M/s Transfer Systems</i>				
Processing Charges and Fees paid	24.51	123.32	75.09	55.50
Rent paid	6.00	24.00	24.00	24.00
Purchases	-	-	78.75	-
Sales	-	20.50	75.30	-

c) **Related parties Balances**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Loan Outstanding</b>				
Due to Ajit S Mundle	7.50	7.50	8.50	7.50
Due to Jyoti V Mundle	2.90	2.90	2.90	-
Due to Transfer Systems	45.00	45.00	45.00	45.00
<b>Other Outstanding dues</b>				
Due to Ajit S Mundle	7.01	5.82	3.83	2.18
Due to Jyoti V Mundle	4.70	3.52	-	2.05
Due to Transfer Systems	27.80	29.55	9.04	14.80

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**26 Earnings per share**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profits attributable to the equity holders of the Company (in lakhs)	64.34	169.18	9.17	(179.19)
Weighted average number of equity shares (no's)	1,313,325	1,313,325	1,313,325	1,313,325
Earnings per share (basic)	4.90	12.88	0.70	(13.64)
Earnings per share (diluted)	4.90	12.88	0.70	(13.64)
Face value per equity share (Rs.)	10	10	10	10

**27 Income & Expenditure in Foreign Currency**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income in Foreign Currency	527.46	1,191.59	35.53	2.63
Import Purchase (on CIF Basis)	-	-	-	-

28 Ratio Analysis

Sl. No	Particulars	% change from 2023 to June 2023	% change from 2022 to 2023	% change from 2021 to 2022	Details
a)	<b>Current Ratio</b>	3.15%	9.81%	-1.21%	-
b)	<b>Debt- Equity Ratio</b>	-12.60%	-63.52%	2.63%	Note 1
c)	<b>Debt Service Coverage ratio</b>	75.36%	110.39%	-311.27%	Note 2
d)	<b>Return on Equity ratio</b>	-11.61%	729.01%	-113.15%	Note 3
e)	<b>Inventory Turnover ratio</b>	96.12%	79.84%	-5.79%	Note 4
f)	<b>Trade Receivable Turnover Ratio</b>	15.66%	65.71%	23.66%	Note 5
g)	<b>Trade Payable Turnover Ratio</b>	-6.28%	26.24%	46.46%	Note 6
h)	<b>Net Capital Turnover Ratio</b>	38.58%	12.55%	8.23%	Note 7
i)	<b>Net Profit ratio</b>	-6.26%	832.45%	-104.30%	Note 8
j)	<b>Return on Capital Employed</b>	20.83%	134.99%	-274.51%	Note 8
k)	<b>Return on Investment</b>	71.32%	-56.46%	49.63%	Note 9

Ratio has been annualised for better presentation purpose

**Notes:**

- Increase in reserves & surplus has more significant effect as compared to increase in debts from NBFC's, leading to better ratio
- Substantial increase in earnings for debt service as compared to interest and principal repayment of long term borrowings  
Profit has significantly improved from negative to positive figures, resulting in better prospects to be able to discharge debt service
- Rise in net profits as compared to Average Shareholder's Equity  
Profit has significantly improved from negative to positive figures, resulting in better ratio
- Increase in rotation of inventory for revenue generation
- Tremendous increase in revenue from operation and better management of debtors
- With rise in business, more purchases are being made at better credit terms, thereby maintaining average trade payable
- Substantial increase in profit before interest and tax on the capital invested in business
- Better profit margins resulting in increase in net profits over the years
- Fall in return on investment is due to increase in deposit towards end of period  
Increase in return on investment is due to withdrawal of investment toward end of period

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
a) <b>Current Ratio</b>	<b>1.32</b>	<b>1.28</b>	<b>1.17</b>	<b>1.18</b>
Current Asset	2142.54	2025.86	1759.84	1492.24
Current Liability	1,617.05	1,577.11	1,504.47	1,260.30
b) <b>Debt- Equity Ratio</b>	<b>2.89</b>	<b>3.30</b>	<b>9.05</b>	<b>8.82</b>
Total Debt	896.02	812.67	699.45	600.59
Shareholder's Equity	310.41	246.07	77.26	68.09
c) <b>Debt Service Coverage ratio</b>	<b>3.38</b>	<b>1.93</b>	<b>0.92</b>	<b>-0.43</b>
Earnings for debt service (EBIT+ Depn)	452.21	330.51	107.71	-43.90
Interest & Principal Repayments	133.83	171.53	117.60	101.26
d) <b>Return on Equity ratio</b>	<b>0.92</b>	<b>1.05</b>	<b>0.13</b>	<b>-0.96</b>
Net Profits after taxes	257.35	169.18	9.17	-179.19
Average Shareholder's Equity	278.24	161.67	72.67	186.68
e) <b>Inventory Turnover ratio</b>	<b>4.72</b>	<b>2.41</b>	<b>1.34</b>	<b>1.42</b>
Revenue from sales of products	3427.45	2138.68	1051.12	894.77
Average Inventory	726.15	888.63	785.45	629.93
f) <b>Trade Receivable Turnover Ratio</b>	<b>3.22</b>	<b>2.78</b>	<b>1.68</b>	<b>1.36</b>
Revenue from operations	3489.05	2150.10	1087.13	912.29
Average Trade Receivable	1083.48	772.27	647.06	671.44
g) <b>Trade Payable Turnover Ratio</b>	<b>2.79</b>	<b>2.98</b>	<b>2.36</b>	<b>1.61</b>
Purchase of Goods	1084.29	986.83	700.14	442.14
Average Trade Payables	388.79	331.64	297.04	274.73
h) <b>Net Capital Turnover Ratio</b>	<b>6.64</b>	<b>4.79</b>	<b>4.26</b>	<b>3.93</b>
Revenue from operations	3489.05	2150.10	1087.13	912.29
Working capital	525.49	448.74	255.36	231.94
i) <b>Net Profit ratio</b>	<b>0.07</b>	<b>0.08</b>	<b>0.01</b>	<b>-0.20</b>
Net Profit	257.35	169.18	9.17	-179.19
Revenue from operations	3489.05	2150.10	1087.13	912.29
j) <b>Return on Capital Employed</b>	<b>0.37</b>	<b>0.31</b>	<b>0.13</b>	<b>-0.08</b>
Earnings before interest and taxes	450.06	326.76	101.96	-50.36
Total Capital Employed	1,203.79	1,056.09	774.35	667.40
k) <b>Return on Investment</b>	<b>0.06</b>	<b>0.03</b>	<b>0.08</b>	<b>0.05</b>
Gain/Interest Income from Investment	4.19	2.41	4.60	4.34
Investment	74.39	73.34	60.90	85.94

## 29 Commitments and Contingent liabilities

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank Guarantee outstanding	124.24	102.60	169.15	173.17

### Contingent Liabilities

Particulars	Amount
Demand Notice (TDS)	10.94
Demand Notice (GST)	9.08
Demand Notice (Provident Fund)	32.10
<b>Total</b>	<b>52.11</b>

The above mentioned unpaid amounts are based on Demand Notices. The Company is considering relevant legal action to reconcile and nullify the same. Demand notice for GST has been paid by the Company before signing of the Restated Financial Statement.

## 30 Consumption of raw material, spare parts and consumables

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Indegenous	291.33	941.53	676.52	447.74
Imported	-	-	-	-

## 32 Other Statutory Information

- (i) The Company do not have any Benami property and no proceeding has been initiated or pending against the Company for holding any Benami property  
(ii) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013

Closing balances with Struck-off Companies:

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales to ED Process	0.00	8.90	8.90	8.90
Sales to Anil Infraplus	0.00	0.00	9.00	9.00
Sales to India Rare Earth	0.00	10.03	10.03	10.03
<b>Total</b>	<b>0.00</b>	<b>18.93</b>	<b>27.93</b>	<b>27.93</b>

- (iii) The Company have registered all its charges or satisfaction with ROC within the statutory period  
(iv) The Company have not been declared wilful defaulter by any bank or financial institution or other lender  
(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the period covered by the Restated Financial Statements  
(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(viii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).  
(ix) Balance shown under head Sundry debtors, creditors and advances are subject to confirmation  
(x) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company  
(xi) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.  
(xii) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses  
(xiii) The Company has used all borrowings from bank and financial institution for the specific purpose for which it was taken at balance sheet date  
(xiv) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification.

### For B.B Gusani & Associates

Chartered Accountants  
FRN- 140785W

Sd/-

**Bhargav Gusani**

**Proprietor**

Membership No: 120710

Date : October 25, 2023

Place : Jamnagar

UDIN : 23120710BGTXMR1911

### For and on behalf of board of directors

ARROWHEAD SEPERATION ENGINEERING LTD

Sd/-

**Ajit Mundle**

**Managing Director**

DIN: 01745577

Date: October 25, 2023

Place :Mumbai

Sd/-

**Jyoti Mundle**

**Director**

DIN: 01744211

Date: October 25, 2023

Place : Mumbai

Sd/-

**Sitaram S Kavar**

**Chief Financial Officer**

PAN:ADQPK1825Q

Date: October 25, 2023

Place : Mumbai

Sd/-

**Radhika Bhootra**

**Company Secretary**

PAN: DAXPB9451C

Mem: A63203

Date: October 25, 2023

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure V - Restated Financial Information**

**30 Employee benefit plans**

(Rs in lakhs)

**(a) Defined contribution plan**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. This expenses has been recognised in the Statement of Profit and Loss under the head Employee Benefit Expense.

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer contribution to provident fund	2.80	11.80	12.13	11.95
Employer contribution to ESIC	0.07	0.88	0.00	0.00

**(b) Defined benefit plan**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Actuarial assumptions:

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount rate as at	7.30%	7.30%	6.50%	6.50%
Future salary increases	7.5% per annum	7.5% per annum	7.5% per annum	7.5% per annum
Mortality rate	Indian Assured Life(2012-14) Ult Mortality Rate	Indian Assured Life(2012-14) Ult Mortality Rate	Indian Assured Life(2012-14) Ult Mortality Rate	Life(2012-14) Ult Mortality Rate
Normal retirement age	58 years	58 years	58 years	58 years

Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligation:
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) are as follows :

Change in the present value of obligation	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the beginning of the year	121.76	120.04	106.80	110.62
Current service cost	1.43	5.74	5.37	5.00
Interest cost	1.88	7.53	6.67	7.19
Benefits paid	-	(5.76)	(3.13)	(9.17)
Acturial loss/(gain)	(1.45)	(5.79)	4.33	(6.83)
Present value of obligation at the end of the year	123.63	121.76	120.04	106.80

Amount recognised in the statement of profit and loss	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	1.43	5.74	5.37	5.00
Interest cost	1.88	7.53	6.67	7.19
Acturial loss/(gain)	(1.45)	(5.79)	4.33	(6.83)
Total expense recognized in the statement of profit and loss	1.87	7.48	16.37	5.35

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**Annexure V - Restated Financial Information**

**31 Adjustment made in restated financial statements**

*(Rs in lakhs)*

**(a) Adjustments having impact on profit**

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit as per Audited Financials</b>	<b>63.41</b>	<b>102.37</b>	<b>12.65</b>	<b>(173.78)</b>
<b>Adjustments For :</b>				
Add/ (Less): Adjustment on account of Salary & Wages	-	54.00	(2.61)	(2.71)
Add/ (Less): Adjustment on account of Staff welfare expenses	-	2.70	(0.87)	(2.70)
Add/ (Less): On account of prior period expenses	-	10.10	-	-
<b>Profit as per Restated Financial Statement</b>	<b>63.41</b>	<b>169.17</b>	<b>9.17</b>	<b>(179.19)</b>

Changes done in reserves & surplus has been restated for the financial years

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Reserves &amp; Surplus as per audited financial statement</b>	<b>178.15</b>	<b>114.74</b>	<b>63.24</b>	<b>50.59</b>
Add/ (Less): Carry forward impact of previous year	-	(66.80)	(63.33)	(57.92)
Add/ (Less): Impact on Profit and Loss A/c	-	66.80	(3.48)	(5.41)
<b>Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>178.15</b>	<b>114.74</b>	<b>(3.56)</b>	<b>(12.74)</b>

**(b) Adjustments not having impact on profit**

Appropriate adjustments have been made in the Restated Financial Statements, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the latest audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**ARROWHEAD SEPERATION ENGINEERING LIMITED**  
CIN:U74210MH1991PLC062643

**ANNEXURE VI - Statement of accounting ratio as restated**

*(Rs in lakhs)*

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Restated Profit after tax as per P & L Account	64.34	169.18	9.17	(179.19)
EBITDA	112.69	320.58	107.71	(43.90)
Actual number of equity shares outstanding at the end of the year (nos)	1,313,325	1,313,325	808,200	808,200
Equivalent weighted average number of equity shares at the end of the year (nos)	1,313,325	1,313,325	1,313,325	1,313,325
Share capital	131.33	131.33	80.82	80.82
Reserves & surplus	179.08	114.74	(3.56)	(12.73)
<b>Net Worth</b>	<b>310.41</b>	<b>246.07</b>	<b>77.26</b>	<b>68.09</b>
Earnings Per Share (EPS):				
Basic and Diluted EPS ( based on actual no of shares)	4.90	12.88	1.14	(22.17)
Basic & Diluted EPS (based on equivalent weighted avg no of shares)	4.90	12.88	0.70	(13.64)
Return on net worth (%)	20.73%	68.75%	11.87%	-263.19%
Net asset value per share (Rs) - based on actual no. of equity shares at the end of the year	23.64	18.74	9.56	8.42
Face value per equity share (Rs.)	10.00	10.00	10.00	10.00

The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

*Formulas used for calculating above ratios are as under:*

- i. Basic /Diluted EPS : Net profit after tax / Equivalent weighted average number of shares outstanding during the year.
- ii. Return on Net worth : Profit after Tax / Net Worth
- iii. Net asset value: Net worth / Actual number of equity shares outstanding during the year
- iv. EBITDA = Sum of Profit before tax , Depreciation & Amortisation and Interest Expenses

ANNEXURE VII - Capitalisation Statement

(Rs in lakhs)

The following table sets forth our Company's capitalisation as at June 30, 2023, on the basis of the Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

Particulars	Pre offer as at June 30, 2023	As adjusted for the proposed Offer
<b><i>Borrowings:</i></b>		
Long term borrowings (a)	119.40	119.40
Short term borrowings (b)	776.62	576.62
<b>Total borrowings (c= a+b)</b>	<b>896.02</b>	<b>696.02</b>
<b><i>Equity:</i></b>		
Equity share capital	131.33	187.13
Reserves and surplus	179.08	1,423.42
<b>Total equity (d)</b>	<b>310.41</b>	<b>1,610.55</b>
<b>Ratio: Long-term borrowings (b) / Total equity (d)</b>	<b>0.38</b>	<b>0.07</b>
<b>Ratio: Total borrowings (c) / Total equity (d)</b>	<b>2.89</b>	<b>0.43</b>



## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward looking statement” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our company Arrowhead Separation Engineering Limited is incorporated on July 25, 1991 is engaged design and manufacture of various chemical process equipments with specialization in continuous drying and cooling system equipment.

Our company has its registered office with manufacturing facility at Survey No 39, Village Mundhegaon, Tal Igatpuri, Nasik, 422403, Maharashtra. We have a corporate office located at W-164/E, T.T.C Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai 400710. We conduct pilot trials on client’s material to arrive at suitable drying solution for their application.

Our total income as restated were ₹ 916.63 lakhs, ₹ 1,091.73 lakhs, ₹ 2,171.57 lakhs and ₹ 881.71 lakhs for the fiscals 2021, 2022, 2023 and for the period ended June 30, 2023. Further, our Profit after tax had been recorded at ₹ (179.19), ₹ 9.17 lakhs, 169.18 lakhs and ₹ 64.34 lakhs for the fiscals ended March 31, 2021, 2022, 2023 and June 30, 2023

### Significant Developments after June 30, 2023 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

### RECENT DEVELOPMENT

#### *Impact of COVID-19*

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. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied. On account of this Covid, government imposed lockdown in India, operations at our manufacturing facility was temporarily shut down with effect from March 23, 2020 and resumed with few staff from May 10, 2020 and came into full-fledged operations from July 26, 2020 in accordance with permissions from the local authorities. Despite the impact of the COVID-19 Pandemic, our revenue from operations for the Fiscal 2021, Fiscal 2022 and Fiscal 2023 and for fiscal ended June 30, 2023 was ₹ 912.29 lakhs ₹ 1,087.13, ₹. 2,150.26 lakhs, ₹. 872.26 lakhs, respectively. 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.

### FACTORS AFFECTING OUR RESULT OF OPERATIONS

#### **Economic conditions in the markets in which we operate**

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of



operations. The Capital goods manufacturing sector in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. While stronger economic conditions tend to result into higher demand for our products, weaker economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

### **Relationship with customers**

We have historically derived, and may continue to derive, a significant portion of our income from our top 5 customers. For the period ended June 30, 2023 and in Fiscals 2023, our top 5 customers represented 96.82% and 88.93%, of our total revenues from operations in such periods. Any reduction in orders from our top five customers would adversely affect our income. The demand from our key customers, in particular our top 5 customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on budget, economic condition of country, demand and growth in Capital goods manufacturing sector. Our company has a vision to develop equipments and provide solution which matches with the global standard. Over the years, we have developed strong relationships with a number of domestic and international corporations through which we have been able to expand our product offerings and also our geographic reach. Our business depends on the continuity of our arrangements with these customers. Our sales to such customers are typically conducted on the basis of purchase orders that they place with us from time to time.

### **Our ability to successfully implement its strategy and its growth and business expansion plans**

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations. Our strategy and revenue plan may not work and might have adverse effect on financials.



**RESULTS OF OUR OPERATIONS**

(₹ in lakhs)

Particulars	For the year ended March 31,						For the period ended June 30,	
	2021	% of Total Income	2022	% of Total Income	2023	% of Total Income	2023	% of Total Income
<b>INCOME:</b>								
Revenue from Operations	912.29	99.53%	1,087.13	99.58%	2,150.10	99.01%	872.26	98.93%
Other Income	4.34	0.47%	4.60	0.42%	21.47	0.99%	9.45	1.07%
<b>Total Income (A)</b>	<b>916.63</b>	<b>100.00%</b>	<b>1,091.73</b>	<b>100.00%</b>	<b>2,171.57</b>	<b>100.00%</b>	<b>881.71</b>	<b>100%</b>
<b>EXPENSES:</b>								
Change in Inventories	(20.55)	(2.24%)	(272.45)	(24.96%)	135.01	6.22%	215.00	24.38%
Cost of Materials Consumed	636.15	69.40%	831.37	76.15%	1,188.15	54.71%	348.22	39.49%
Employee benefit expenses	249.65	27.24%	318.18	29.14%	314.16	14.47%	76.28	8.65%
Finance costs	72.69	7.93%	89.04	8.16%	142.96	6.58%	26.53	3.01%
Depreciation and amortization	6.46	0.70%	5.75	0.53%	3.75	0.17%	0.54	0.06%
Other expenses	95.28	10.39%	106.92	9.79%	203.73	9.38%	129.17	14.65%
<b>Total Expenses (B)</b>	<b>1,039.68</b>	<b>113.42%</b>	<b>1,078.81</b>	<b>98.82%</b>	<b>1,987.77</b>	<b>91.54%</b>	<b>795.72</b>	<b>90.25%</b>
<b>Net Profit / (Loss) before tax</b>	<b>(123.05)</b>	<b>(13.42%)</b>	<b>12.92</b>	<b>1.18%</b>	<b>183.80</b>	<b>8.46%</b>	<b>85.99</b>	<b>9.75%</b>
<b>Less: Tax expense</b>								
(i) Current tax	-	-	-	-	13.91	0.64%	21.64	2.45%
(ii) Deferred tax	(0.04)	(0.00%)	1.0	0.10%	0.28	0.01%	0.01	-
(iii) Short/ Excess Tax provision for earlier periods	56.10	6.12%	4.84	0.44%	1.00	0.05%		-
<b>Total Tax Expense</b>	<b>56.14</b>	<b>6.13%</b>	<b>3.75</b>	<b>0.34%</b>	<b>14.62</b>	<b>0.67%</b>	<b>21.65</b>	<b>2.45%</b>
<b>Net Profit / ( Loss ) after tax</b>	<b>(179.19)</b>	<b>(19.55%)</b>	<b>9.17</b>	<b>0.84%</b>	<b>169.18</b>	<b>7.79%</b>	<b>64.34</b>	<b>7.30%</b>



## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from Sale of Products and other income.

#### *Revenue from Operations*

Our revenue from operations as a percentage of total income was 98.93%, 99.01%, 99.58% and 99.53%, for the period ended June 30, 2023 and fiscals 2023, 2022 and 2021 respectively.

#### *Other Income*

Our other income comprises of interest income, foreign fluctuation income and duty drawback from custom. Other income, as a percentage of total income was 1.07%, 0.99%, 0.42% and 0.47% for the period ended June 30, 2023 and fiscals ended 2023, 2022 and 2021 respectively.

### **Expenditure**

Our total expenditure primarily consists of raw material consumed, employee benefit expenses, finance cost, depreciation expenses, other expenses and prior period expenses.

#### *Cost of Raw Material Consumed*

It consists of cost of raw materials consumed and other direct expenses.

#### *Employee Benefit Expenses*

Employee benefit expenses comprises of salaries, employee welfare expenses, contribution to PF & Gratuity and gratuity.

#### *Depreciation and Amortization Cost*

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets of our company i.e. Buildings, Furniture & Fixtures, Plant & Machinery, Computer and Office Equipments.

#### *Finance costs*

Finance cost includes Interest on Borrowings and processing expenses.

#### *Other Expenses*

Other expenses include Legal & professional expenses, Rent, Insurance expense, Telephone and Internet charges, Postage and courier charges, Auditor's fees Bank charges and Miscellaneous expenses.

#### *Prior period expenses*

Prior period expenses include change in provision for gratuity expense.

#### *Provision for Tax*

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.



## **Review for the three months period ended June 30, 2023**

### *Total Income*

Our total income for the period ended June 30, 2023 was ₹ 881.71 lakhs. In the above-mentioned period, the Revenue from Operations comprises of 98.93% and Other Income comprises 1.07% of Total Income.

### *Cost of Raw Material Consumed*

The cost of raw materials consumed for the period ended June 30, 2023 was ₹ 348.22 lakhs and comprised of 39.49% of Total Income.

### *Change in Inventory*

The change in Inventory was ₹ 215.00 lakhs for the period ended June 30, 2023.

### *Employee Benefit Expenses*

Employee benefit expenses for the period ended June 30, 2023 was ₹ 76.28 lakhs and comprised of 8.65 % of Total Income.

### *Depreciation and Amortization Cost*

Depreciation and Amortization Expenses for the period ended June 30, 2023 was ₹ 0.54 lakhs and comprised of 0.06% of Total Income.

### *Finance costs*

Finance cost for the period ended June 30, 2023 was ₹ 26.53 lakhs and comprised of 3.01% of Total Income.

### *Other Expenses*

Other expenses for the period ended June 30, 2023 was ₹ 129.17 lakhs and comprised of 14.65% of Total Income.

### *Profit After Tax*

Profit before tax for the period ended June 30, 2023 was ₹ 85.99 lakhs and provision tax amounts to ₹ 21.65 lakhs and profit after tax amounts to ₹ 64.34 lakhs. Profit after tax compromises of 7.30% of Total Income.

## **Fiscal 2023 compared with fiscal 2022**

### *Income*

In fiscal 2023, our total income increased by ₹ 1,079.84 lakhs or 98.91%, from ₹ 1,091.73 lakhs in fiscal 2022 to 2,171.57 lakhs in fiscal 2023. The increase in the year 2023 was due to delivery of equipments in both International market and Domestic market. The conversion of Work in progress to Sales efficiently resulted in high turnover during the Fiscal 2023. Other income increased by ₹ 16.86 lakhs or 366.25%, from ₹4.60 lakhs in fiscal 2022 to ₹ 21.47 lakhs in fiscal 2023 as foreign fluctuation gain and Duty Drawback was recorded against Export Sales during Fiscal 2023.

### *Change in Inventories*

Inventories were ₹ 843.78 lakhs in fiscal 2023 as compared to ₹ 933.48 lakhs in fiscal 2022 due to conversion of Work in Progress to sales.

### *Cost of Material Consumed*

Cost of material consumed increased by ₹ 356.78 lakhs or 42.92%, from ₹ 831.37 lakhs in Fiscal 2022 to ₹ 1,188.15 lakhs in Fiscal 2023 due to increase in production against order thereby even increase in purchases of Raw materials and other direct expenses associated with it.



### *Employee Benefit Expenses*

Employee Benefit Expenses decreased ₹ 4.02 lakhs or 1.26%, from ₹ 318.18 lakhs in fiscal 2022 to ₹ 314.16 lakhs in fiscal 2023. As our business is labour intensive we tend to incur significant expenses in this regard.

### *Finance Costs*

Finance Costs increased by ₹ 53.93 lakhs or 60.57%, from ₹ 89.04 lakhs in fiscal 2022 to ₹ 142.96 lakhs in fiscal 2023. This increase was mainly due to more loans availed from NBFC's during the Fiscal year 2022-23, resulting in increase in finance cost.

### *Depreciation Expenses*

Depreciation expenses were ₹ 5.75 lakhs in fiscal 2022 as compared to ₹ 3.75 lakhs in fiscal 2023.

### *Other Expenses*

Other expenses increased by ₹ 96.81 lakhs or 90.54 % from ₹ 106.92 lakhs in fiscal 2021 to ₹ 203.73 lakhs in Fiscal 2023. During Fiscal 2023 we have incurred major expenses of Legal & Professional Fees, Hiring Charges, Security Charges and Bad Debts as compared to last Fiscal.

### *Profit/ (Loss) before Tax*

The increase in revenue from operations with better margins has led to increase in our Profit before tax by ₹ 170.88 lakhs or 1322.47 % from ₹ 12.92 lakhs in fiscal 2022 to ₹ 183.80 lakhs in fiscal 2023.

### *Tax Expenses*

The Company's current tax expenses are ₹ 14.62 lakhs in the Fiscal 2023.

### *Profit/ (Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 160.00 lakhs or 1744.18 %, from ₹ 9.17 lakhs in fiscal 2022 to ₹ 169.18 lakhs in fiscal 2023.

## **Fiscal 2022 compared with fiscal 2021**

### *Income*

In fiscal 2022, our total income increased by ₹ 174.84 lakhs or 19.16%, from ₹ 912.29 lakhs in fiscal 2021 to ₹ 1,087.13 lakhs in fiscal 2022. The increase in the year 2022 was due to increase in the delivery of products as compared to last year.

Other income increased by ₹ 0.26 lakhs or 6.02%, from ₹ 4.324 lakhs in fiscal 2021 to ₹ 4.60 lakhs in fiscal 2022 for increase in interest income from FD.

### *Change in Inventories*

Inventories were ₹ 933.48 lakhs in fiscal 2022 as compared to ₹ 637.41 lakhs in fiscal 2021.

### *Cost of Material Consumed*

Cost of material consumed increased by ₹ 195.21 lakhs or 30.69%, from ₹ 636.15 lakhs in Fiscal 2021 to ₹ 831.37 lakhs in Fiscal 2022 as we purchased bulk quantity of raw materials to meet the requirement of production house.

### *Employee Benefit Expenses*

Employee Benefit Expenses increased 68.53 lakhs or 27.45%, from ₹ 249.65 lakhs in fiscal 2021 to ₹ 318.18 in fiscal 2022. This increase was mainly due to increase in salaries, bonus and staff welfare expenses,



### Finance Costs

Finance Costs decreased by ₹ 16.34 lakhs or 22.48%, from ₹ 72.69 lakhs in fiscal 2021 to ₹ 89.04 lakhs in fiscal 2022. This increase was mainly due to increase in borrowing from bank which enhanced our interest cost during the year.

### Depreciation Expenses

Depreciation expenses were ₹ 6.46 lakhs in fiscal 2021 as compared to ₹ 5.75 Lakhs in fiscal 2022.

### Other Expenses

Other expenses increased by ₹ 11.65 lakhs or 12.22% from ₹ 95.28 lakhs in fiscal 2021 to ₹ 106.92 lakhs in Fiscal 2022. The increase majorly consisted of legal and professional fees paid during the year.

### Profit/ (Loss) before Tax

The increase in scale of operations has led to increase in our Profit before tax by ₹ 135.97 lakhs or -110.50 % from ₹ -123.05 lakhs in fiscal 2021 to ₹ 12.92 lakhs in fiscal 2022.

### Tax Expenses

The Company's tax expenses in the Fiscal 2021 were ₹ 56.14 lakhs in Fiscal 2021 and ₹ 3.75 lakhs in Fiscal 2022.

### Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 188.37 lakhs or 105.12 %, from ₹ 179.19 lakhs in fiscal 2021 to ₹ 9.17 lakhs in fiscal 2022.

### Cash Flows

(₹ in lakhs)

Particulars	For the period ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net cash flow from operating activities	(48.99)	57.28	(96.70)	91.21
Net cash flow from Investing activities	-	-	(1.55)	-
Net cash flow from financing activities	57.87	(27.33)	14.44	(38.67)

### Cash Flows from Operating Activities

Net cash from operating activities during the period ended June 30, 2023 was ₹ (48.99 lakhs) as compared to the PBT of ₹ 85.99 lakhs for the same year. This difference is primarily on account of other Current Liability, Trade Receivable and Finance Cost.

Net cash from operating activities in fiscal 2023 was ₹ 57.28 lakhs as compared to the PBT of ₹ 183.80 lakhs for the same year. This difference is primarily on account of other Current Liability, Trade Receivable and Finance Cost.

Net cash from operating activities for the fiscal 2022 was ₹ (96.70) lakhs as compared to the PBT of ₹ 12.92 lakhs for the same period. This difference is primarily on account of changes in Inventories and other Current Liability.

Net cash from operating activities in fiscal 2021 was ₹ 91.21 lakhs as compared to the PBT of ₹ -123.05 lakhs for the same year. This difference is primarily on account of changes in Trade and other receivables, other Current Liability and Trade Payables and Finance Cost.

### Cash Flows from Investment Activities

During the fiscal 2022 the net cash utilized in investing activities was ₹ 1.55 lakhs, on account of purchasing Plant and Machinery



### ***Cash Flows from Financing Activities***

Net cash generated from financing activities for the period ended June 30, 2023 was ₹ 57.87 lakhs. This was on account of proceeds from borrowings during the period.

Net cash used in financing activities in fiscal 2023 was ₹ 22.68 lakhs. This was on account of repayment finance cost incurred during the year.

Net cash generated from financing activities in fiscal 2022 was ₹ 14.44 lakhs. This was on account of proceeds from short term loans and finance cost.

Net cash used in financing activities in fiscal 2021 was ₹ 38.67 lakhs. This was on account of repayment of finance cost incurred during the year.

### ***OTHER MATTERS***

#### **i. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the period / years under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **ii. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page 129 and 152 respectively of this Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

#### **iii. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*” on page 21 and 152 respectively of this Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

#### **iv. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” on page 21 of this Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

#### **v. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new services or increased prices**

Increase in revenues is by and large linked to increase in delivery of order and volume of business activity thereby, completing and receiving more orders for our products.

#### **vi. Status of any publicly announced new services or business segments**

Please refer to the chapter titled “*Our Business*” on page 90 of this Prospectus.

#### **vii. The extent to which the business is seasonal.**

Our business is not seasonal in nature.



**viii. Any significant dependence on a single or few suppliers or customers**

For the period ended June 30, 2023, the revenue from our top 5 and top 10 customers constituted approximately 96.82% and 99.71% respectively of the revenue from operations. For the period ended June 30, 2023, the purchases from our top 5 and top 10 suppliers constituted approximately 48.82 % and 70.84% respectively of the total purchases. For fiscal 2023, the revenue from our top 10 customers constituted approximately 95.89% respectively of the revenue from operations. For fiscal 2023, the purchases from our top 10 suppliers constituted approximately 62.52 % respectively of the total purchases For further details, please refer chapter “*Our Business*” on page 90 of this Prospectus.

**ix. Competition Conditions**

We face competition from various domestic and international players in the market. We intend to continue competing rigorously to capture more market share and manage our growth in an optimal way. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, delivery at given timeline and established relationship with suppliers, brand recognition etc.



## FINANCIAL INDEBTEDNESS

The Company avails loan and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company as on June 30, 2023 is provided below:

(₹ in Lakhs)

Nature of Borrowings	June 30, 2023
Secured Borrowings (fund based)	612.19
Unsecured Borrowings	283.83
<b>Total</b>	<b>896.02</b>

### Secured Borrowings:

Particulars	Type of Loans	Amount Sanctioned (₹ In Lakhs)	Amount Outstanding as on June 30, 2023 (₹ in Lakhs)	Interest rate	Sanction/ Renewable letter date	Tenure after June, 2023	Security
YES Bank	Vehicle Loan	12.06	1.48	9.55% p.a. approx	December 19, 2018	06 months	Note 1
Piramal Capital & Housing Finance Ltd.	Loan against property	151.28	120.83	11.50% p.a.	June 28, 2018	81 months	Note 2
Bank of Baroda	BGECLS- Covid Loan-3	40.00	27.70	7.75% p.a.	September 30, 2022	12 months	Note 3
Bank of Baroda	BGECLS- Covid Loan-2	32.50	27.98	7.75% p.a.	September 30, 2022	31 months	Note 3
Bank of Baroda	BGECLS- Covid Loan-1	38.00	21.80	8.10% p.a.	September 30, 2022	12 months	Note 3
Bank of Baroda	Cash Credit Facility	400.00	414.50	11.20% p.a.	September 30, 2022	renew annually	Note 3
<b>Total</b>		<b>673.34</b>	<b>612.19</b>				

**Note 1:** Loan from YES Bank is secured against vehicle.

**Note 2:** Term Loan against property:

Exclusive first charge by way of equitable or registered mortgage of the property situated at W-164, Ttc Industrial Area, Village Pawne, Thane Belapur Road, Navi Mumbai, Thane-400705, Maharashtra owned by promoter's group (i.e M/s Transfer Systems, Ajit Shankar Mundle, Jyoti Vijay Mundle, Anjani Ajit Mundle and Kunal Vijay Mundle). This promoter group is named as Co-Borrowers in sanction letter.

**Note 3:** Terms of loan sanctioned from Bank of Baroda



**A. Security**

1. Hypothecation of entire current assets of the company (both present and future) inclusive of stocks of materials, Work-in-Progress, inventory, stores & spares etc. and Book Debts, both present & future.
2. Equitable Mortgage of Factory land & Building at Gat No 40, situated at village Mundhegaon, Taluka Igatpuri, District Nashik having area admeasuring 11600 sq mtrs. in the name of Company.
3. Equitable Mortgage of Flat No. 203 on the second floor in the building known as “Navdurga”, Navdurga Cooperative Housing Society Limited in the name of Mrs. Anjani Ajit Mundle w/o Ajit Mundle.
4. Lien of FDR of ₹ 10 lakhs in the name of Company/ Directors.
5. BG Margin: 20% in the form of FDR.

**B. Guarantee**

Personal guarantees of Ajit Mundle, Jyoti Mundle and Anjani Mundle.

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio.

Our Company enjoys Bank Guarantee of ₹ 450.00 lakhs from IDBI Bank. As on June 30, our Company has outstanding Bank Guarantee of ₹ 124.24 Lakhs.

**Unsecured Loans:**

(₹ in Lakhs)

<b>Particulars</b>	<b>As on June 30, 2023</b>
Directors <sup>(1)</sup>	10.40
Loan from related parties <sup>(2)</sup>	45.00
Loan from NBFC's <sup>(3)</sup>	228.43
<b>Total</b>	<b>283.83</b>

1. Our Company has availed unsecured loan from Directors aggregating to ₹ 10.40 lakhs. The same is interest free.
2. Our Company has availed unsecured loan from related parties aggregating to ₹ 45.00 lakhs. The same is repayable on demand and is interest free.
3. Our Company has availed unsecured loan from corporate borrowing aggregating to ₹ 228.43 lakhs and interest charge between 12% p.a. to 18.% p.a. of these ₹ 28.43 lakhs is being repaid on EMI Basis month on month and remaining are repayable on demand



## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoter. Our Board, in its meeting held on June 5, 2023 determined that all litigations pertaining to the company, its directors/promoter/group companies which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further, the Board considers all other litigation pertaining to the company, its directors/promoter/group companies which are above a claim amount equal to or exceeding 1% of revenue of the company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company (“Material Litigation”).

B. Disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoter in the last 5 (five) Financial years including outstanding action.

D. (i) 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 June 5, 2023 determined that all outstanding dues owed by the Company to small scale undertaking and other creditors exceeding 10% of the revenue of our Company as per the audited previous full year financial statements are considered as material by our Board and the same will be disclosed in the Annual report of the Company. Details of outstanding dues to creditors(including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.arrowhead-dryers.com](http://www.arrowhead-dryers.com)

*Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

#### **LITIGATION INVOLVING OUR COMPANY**

##### **A. LITIGATION AGAINST OUR COMPANY**

###### ***1. Litigation involving Criminal matters***

NIL

###### ***2. Litigation involving Actions by Statutory/Regulatory Authorities***

NIL

###### ***3. Litigations involving Tax Liabilities***

###### **(i) Direct Tax Liabilities**

NIL

###### **(ii) Indirect Tax Liabilities**

NIL

###### ***4. Litigations involving Civil Matters***

NIL



5. *Other pending litigations:*

NIL

**B. LITIGATION FILED BY OUR COMPANY**

1. *Litigation involving Criminal matters*

NIL

2. *Litigation involving Actions against Statutory/Regulatory Authorities*

NIL

3. *Litigations involving Tax Liabilities*

(i) Direct Tax Liabilities

NIL

(ii) Indirect Tax Liabilities

NIL

4. *Litigations involving Civil Matters*

NIL

5. *Other pending litigations:*

NIL

**LITIGATIONS INVOLVING OUR PROMOTERS AND DIRECTORS**

**A. LITIGATIONS AGAINST OUR PROMOTERS AND DIRECTORS.**

1. *Litigation involving Criminal matters*

NIL

2. *Litigation involving Actions against Statutory/Regulatory Authorities*

NIL

3. *Litigations involving Tax Liabilities*

(i) Direct Tax Liabilities

NIL

(ii) Indirect Tax Liabilities

NIL

4. *Litigations involving Civil Matters*

NIL



5. *Other pending litigations:*

NIL

**B. LITIGATIONS FILED BY OUR PROMOTERS AND DIRECTORS.**

1. *Litigation involving Criminal matters*

NIL

2. *Litigation involving Actions against Statutory/Regulatory Authorities*

NIL

3. *Litigations involving Tax Liabilities*

(i) Direct Tax Liabilities

NIL

(ii) Indirect Tax Liabilities

NIL

4. *Litigations involving Civil Matters*

NIL

5. *Other pending litigations:*

NIL

**Amounts owed to small scale undertakings and other creditors**

As of June 30, 2023 our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

(₹ in lakhs)

Particulars	Number of Creditors	Amount involved
Micro, Small and Medium Enterprise	38	292.09
Material Creditors	1	27.80
Other Creditor	89	81.20
<b>Total Creditors</b>	<b>128</b>	<b>401.09</b>

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on June 30, 2023 are also available on [www.arrowhead-dryers.com](http://www.arrowhead-dryers.com)

It is clarified that 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, would be doing so at its own risk.

\* **Pending proceedings initiated against our Company for economic offence**

There are no pending proceedings initiated against our Company for economic offence.

\* **Inquiries, investigations, etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company**

There are no Inquiries, investigations, etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.



\* **Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

\* **Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

\* **Non-Payment of Statutory Dues**

There have been no defaults in the past or any outstanding defaults in the payment of statutory dues payable by the Company.

\* **Disciplinary Action Including Penalty Imposed By SEBI or Stock Exchanges against the Promoters in the Last Five Financial Years**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

\* **Material developments occurring after last balance sheet date**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.



## GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

### I. Approvals for the Issue

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 May 29, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our 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 June 02, 2023 authorized the Issue.
3. Our Company's International Securities Identification Number ("ISIN") is INE0PP401015.

### II. Approvals pertaining to Incorporation, name and constitution of our Company.

1. The Company was incorporated as Arrowhead Separation Engineering Private Limited on July 25, 1991. The Registrar of Companies, Mumbai had issued certificate of incorporation date July 25, 1991 in the name of Arrowhead Separation Engineering Private Limited.
2. Fresh certificate of Conversion dated April 18, 2023 was issued by Registrar of Companies, Mumbai pursuant to change of name from Arrowhead Separation Engineering Private Limited to Arrowhead Separation Engineering Limited.
3. The Corporate Identity Number (CIN) of the Company is U74210MH1991PLC062643.
4. ISIN of the Company is INE0PP401015.

### III. TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Permanent Account Number (PAN)*	Income-tax Department, Government of India	AAACA6711D	Valid until cancelled
2.	Tax Deduction Account Number (TAN)*	Income-tax Department, Government of India	NSKA01001A	Valid until cancelled
3.	Certificate of Registration issued under GST*	Commercial Tax Department, Government of India	27AAACA6711D1Z6	Valid until cancelled

*\*Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion of company into a public limited company.*

### IV. LABOUR RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Employees' Provident	Employees' Provident Fund	KDNSK0050959000	Valid until



Sr. No.	Description	Authority	Registration Number	Date of Expiry
	Fund*	Organisation		cancelled
2.	Employees' State Insurance*	Employees' State Insurance Corporation	36000035430000606	Valid until cancelled
3	Professional Tax Registration number*	Maharashtra State	1/1/28/18/1387	Valid until cancelled

\* It is in the old name of the company i.e. "Arrowhead Separation Engineering Private Limited"

#### V. BUSINESS RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Expiry
1.	Certificate of Registration under MSME*	Ministry of Micro, Small and Medium Enterprise	UDYAM-MH-33-0008815	Valid until cancelled
2.	License to Work a Factory*	Directorate Industrial Safety and Health	121602512200432	December 31, 2024
3.	Permission regarding the release of power of 198 KVA	Electrical Inspector, Nashik	SE/NSKR/T-2/NR-229	Valid until cancelled
4.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974	Maharashtra Pollution Control Board	BO/U-Goda/1959/C-1365	Valid until cancelled

\* It is in the old name of the company i.e. "Arrowhead Separation Engineering Private Limited"

#### VI. PENDING APPROVALS

a) *Applied for renewal but not yet approved*

Nil

b) *Not Yet Applied*

Nil



## SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated May 29, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on June 02, 2023 in accordance with the provisions of Section 62(1) (c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated August 21, 2023 to use the name of BSE in this Offer Document for listing of equity shares on the SME Platform of the BSE Limited. BSE Limited is the designated stock exchange.

### Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoter, Members of our Promoters Group, person in control of our Company from accessing the capital market 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.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Prohibition by RBI

Neither our Company nor any of our Promoters or Directors has been declared as Willful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by the RBI.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of the Promoters Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to the Company, to the extent in force and applicable, as on the date of this Prospectus.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus except as stated under the chapters titled “*Risk factors*”, “*Our Promoters and Promoters Group*”, “*Group Companies*” and “*Outstanding Litigations and Material Developments*” beginning on page nos. 21, 123, 127 and 163 respectively, of this Prospectus.

### Confirmation in relation to RBI circular dated July 1, 2016

Neither our Company, nor any of our Promoters or Directors have been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds –Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

### Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, An issuer, whose post issue face value capital does not exceed ten Crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the SME Platform of BSE Limited).



As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the BSE Limited.

- a. Our Company was incorporated on July 25, 1991 with the Registrar of Companies; Mumbai under the Companies Act, 1956 in India, hence is in existence for a minimum period of 2 years on the date of filing the Prospectus with BSE.
- b. As on the date of this Prospectus, our Company has a total paid up capital of ₹ 131.33 lakhs comprising 13,13,325 Equity Shares and the Post Issue Capital will be of ₹ 187.13 lakhs comprising 18,71,325 Equity Shares which is below ₹ 25 crores.
- c. Our Company has Net Tangible Assets of ₹ 310.41 lakhs which is more than ₹ 150 Lakhs.
- d. Our Company has a track record of three years as on date of filing of this Prospectus.
- e. Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 1 (one) financial years preceding the date of filing of this Prospectus and the net worth of our Company is positive as per the latest audited financial statements. As per Restated Financial Statements, the cash accruals accounted for June 30, 2023 was ₹ 86.53 lakhs.
- f. Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- g. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- h. There has been no change in the Promoters of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- i. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- j. Our Company has a website: [www.arrowhead-dryers.com](http://www.arrowhead-dryers.com)
- k. As per Restated Financial Statements, the Net-worth (excluding revaluation reserves) of the Company is ₹ 310.41 lakhs as at June 30, 2023.
- l. As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:
  - The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.
  - Our Company has entered into an agreement dated June 01, 2023 with NSDL and agreement dated May 02, 2023 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
  - The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
  - All Equity Shares held by our Promoters & members of our Promoters Group are in the dematerialized form.
  - Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the fresh issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 63 of this Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.



Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoters Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a willful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under SEBI Regulations, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 08, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.**

**Note:**



All legal requirements pertaining to the Issue will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

### **Disclaimer from our Company, Directors and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those confirmed in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.arrowhead-dryers.com](http://www.arrowhead-dryers.com), would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Applying Centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism

Applying will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not Issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager 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 or become customers to 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.

### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.



### **Disclaimer Clause of the BSE**

BSE Limited ("BSE") has vide its letter dated August 21,2023, given permission to "Arrowhead Separation Engineering Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of U.S. the Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur; and (ii) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4(a) of the U.S. Securities Act.

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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Listing**

Applications have been made to SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being issued in the issue on its SME Platform of BSE Limited after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.



If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within four days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated August 21, 2023 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE Limited.



**Price Information of past issues handled by the Lead Manager**

Sr. No.	Issue Name	Issue size (₹in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	Mish Designs Limited	9.76	122.00	07-11-23	160.00	NA	NA	NA	NA	NA	NA
2.	Sunita Tools Limited	22.04	145.00	11-10-23	155.00	NA	NA	NA	NA	NA	NA
3.	Master Components Limited	15.42	140.00	29-09-23	140.40	0.21%	(3.01%)	NA	NA	NA	NA
4.	HMA Agro Industries Limited	480.00	585.00	04-07-23	615.00	1.60%	(0.36%)	28.88%	0.53%	NA	NA
5.	CFF Fluid Control Limited	85.80	165.00	12-06-23	175.00	61.79%	4.26%	378.48%	6.18%	NA	NA
6.	Command Polymers Limited	7.08	28.00	29-03-23	26.75	(3.75%)	5.44%	(4.64%)	9.41%	(9.29%)	13.91%
7.	Rex Sealing and Packing Industries Limited	8.08	135.00	12-01-23	137.00	15.52%	1.21%	5.04%	0.73%	(24.59%)	9.44%
8.	Abans Holding Limited	345.60	270.00	23-12-22	270.00	(0.35%)	1.30%	(12.35%)	(3.21%)	7.63%	6.15%
9.	EP Biocomposites Limited	6.35	126.00	13-09-22	160.25	100.40%	(5.51%)	36.51%	2.57%	71.43%	(2.37%)
10.	Rhetan TMT Limited	56.00	70.00	05-09-22	70.00	75.50%	(1.99%)	306.93%	6.11%	632.86%	0.95%



### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount -180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	5	613.02	0	0	0	1	0	2	NA	NA	NA	NA	NA	NA
2022-23	6	445.79	0	0	2	3	0	1	0	0	1	3	0	1
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3

#### Notes:

(1) Since the listing date of Mish Designs Limited was on November 07, 2023 information related to closing price and benchmark index as on the 30th, 90th and 180th calendar day from the listing date is not applicable.

(2) Since the listing date of Sunita Tools Limited was on October 11, 2023 information related to closing price and benchmark index as on the 30th, 90th and 180th calendar day from the listing date is not applicable.

(3) Since the listing date of Master Components Limited was on September 29, 2023 information related to closing price and benchmark index as on the 90th and 180th calendar day from the listing date is not applicable.

(4) Since the listing date of HMA Agro Industries Limited was on July 04, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.

(5) Since the listing date of CFF Fluid Control Limited was on June 12, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.

(6) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(7) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(8) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices



## **Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in).

## **Stock Market Data of Equity Shares**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## **Consents**

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor, Banker to the Company\*, Banker to the Issue, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn upto the time of delivery of the Prospectus for registration with the RoC.

*\*The company has obtained the Consent in the name of Arrowhead Separation Engineering Private Limited*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, B B Gusani & Associates., Chartered Accountants, have provided their written consent to the inclusion of their reports dated October 25, 2023 on Restated Financial Statements and to the inclusion of their reports dated October 25, 2023 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn upto the time of filing of this Prospectus.

## **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, B B Gusani & Associates., Chartered Accountants and M/s. Abdus Samee Abdul Qadir Maniyar (A. A. Maniyar) (Advocate) (Advocate) to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated October 25, 2023 and Report on Statement of Tax Benefits dated October 25, 2023 and issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

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

## **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated June 20, 2023, the Underwriting Agreement dated June 23, 2023 entered into among the Underwriter, and our Company and the Market Making Agreement dated June 23, 2023 entered into among the Market Maker, Lead Manager and our Company. All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

## **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

### **Previous Public and Rights Issues**

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.



### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no 52 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the 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 the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Company (ies) / Subsidiaries / Associates**

None of our Group Company(ies) / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

### **Performance Vis-À-Vis Objects**

#### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

#### **Listed Subsidiaries / Promoters**

We do not have any Subsidiaries / Holding Company in the past five (5) years.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments Issued By The Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

### **Disposal of Investor Grievances**

#### **Mechanism for Redressal of Investor Grievances**

The Company has appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, 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. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of



amounts, the Lead Managers shall compensate the investors at the rate higher of M 100 or 15% per annum of the application amount for the period of such delay.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID (in case of RIBs using the UPI Mechanism), date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

For helpline details of the BRLMs pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see section entitled “*General Information – Lead Managers*” on page 43 Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove

Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Investors can contact the Company Secretary and the Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations or non-receipt of funds by electronic mode.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board by a resolution on June 05, 2023 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Ajit Mundle	Chairman & Managing Director	Chairman
Jyoti Mundle	Whole Time Director	Member
Mayuri Rupareliya	Non-Executive Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no 110 of this Prospectus.

Our Company has also appointed Radhika Bhootra as the Company Secretary and Compliance Officer for the Issue and she may be contacted at the Registered Office of our Company.

**Radhika Bhootra**

Survey No 39 Village Mundhegaon,  
Tal Igatpuri, Nashik-422403.

**Tel No:** + 91 84228 29060

**Email:** [info@arrowhead-dryers.co.in](mailto:info@arrowhead-dryers.co.in)

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

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**Disposal of investor grievances by Our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of



receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities laws.

**Other confirmations**

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Issue.



## SECTION X – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Prospectus, the Prospectus, Application Form, any Revision Form, the Confirmation of Allocation Note (CAN)/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), 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 the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (together, the “UPI Circulars”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available. For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 63 and 169, respectively.*

#### **The Issue**

The Issue comprises of a Fresh Issue

The listing fees shall be borne by our Company. Other Issue-related expenses shall be borne by our Company. For details in relation to Issue expenses, see “Objects of the Issue” beginning on page 63 of this Prospectus.

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” begins from page no. 209 of this Prospectus.

#### **Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page nos. 128 and 209 of this Prospectus.



## Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 233 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page no. 69 of this Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- 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 and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of Articles of Association*” beginning on page no. 209 of this Prospectus.

## Allotment only in Dematerialised Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated June 01, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated May 02, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

## Minimum Application Value, Market Lot and Trading Lot

Trading of the Equity Shares will happen in the minimum contract size of 600 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 600 Equity Share subject to a minimum allotment of 600 Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 267 (2) of SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.



### **Minimum Number of Allottees**

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 the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2(two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Issue.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Nomination Facility to Investor**

In accordance with Section 72(1) & 72(2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72(4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety 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.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

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 Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), 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 Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## ISSUE PROGRAMME

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

Event	Dates
Issue Opening Date	November 16, 2023
Issue Closing Date	November 20, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	November 23, 2023
Initiation of Allotment / Refunds / Unblocking of Funds	November 24, 2023
Credit of Equity Shares to demat accounts of Allottees	November 28, 2023
Commencement of trading of Equity Shares on the Stock Exchange	November 29, 2023

*<sup>(1)</sup>In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicants shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable*

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the 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.

Applications 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 (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received upto the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any



stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if our Company does not receive the minimum subscription in the Issue or subscription level falls below aforesaid minimum subscription after the Issue Closing Date due to withdrawal of Applications or after technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with SEBI Regulations, the Companies Act, 2013 and applicable laws including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum Subject to 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 this Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1, 00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not 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 application law of such jurisdiction.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 600 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

### **Application by Eligible NRIs, FIIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FIIs or VCF registered with SEBI. Such Eligible NRIs, FIIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

The lock-in of the pre- Issue capital of our Company as provided in “*Capital Structure*” beginning on page no. 52 of this Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity



Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “Main Provisions of the Articles of Association” beginning on page no. 209 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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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.*

### **New Financial Instruments**

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.

### **Allotment of 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.

### **Migration to Main Board**

In accordance with the BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulation, our Company may migrate to the main board of BSE from the SME Platform of BSE on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal.

### **Market Making**

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on SME Platform of BSE. For further details of the market making arrangement please refer the chapter titled “General Information” beginning on page no. 43 of this Prospectus.



## ISSUE STRUCTURE

This issue is being made in terms of Regulation 229 (1) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post issue face value capital does not exceed ten 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 SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page nos. 181 and 190 respectively, of this Prospectus.

### Issue Structure

Initial Public Offer of 5,58,000 Equity Shares of ₹10 each (*the "Equity Shares"*) for cash at a price of ₹ 233 per Equity Share (including a Share Premium of ₹ 223 per Equity Share), aggregating ₹ 1,300.14 Lakhs (*the Issue*) by the Arrowhead Separation Engineering Limited ("*ASEL*" or *the Company*").

The Issue comprises a reservation of 30,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 5,28,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 29.82 % and 28.22%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation <sup>(1)</sup>	5,28,000 Equity Shares	30,000 Equity Shares
Percentage of Issue Size available for Allocation	94.62% of the Issue Size	5.38% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 600 Equity Shares and further allotment in multiples of 600 Equity Shares each. <sup>(1)</sup>  For further details please refer section explaining the Basis of Allotment in the GID.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).	
Mode of Allotment	Compulsorily in dematerialized form.	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of 600 Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals Investors:</i>  600 Equity Shares	30,000 Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of 600 Equity Shares such that the Application Size does not exceed 2,64,000 Equity Shares, subject to applicable limits to the Applicant.  <i>For Retail Individuals Investors:</i>  Such number of Equity Shares in multiples of 600 Equity Shares such that the application value does not exceed ₹ 2,00,000.	30,000 Equity Shares



Particulars	Net Issue to Public	Market Maker Reservation Portion
Trading Lot	600 Equity Shares	600 Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Who can Apply <sup>(2)</sup>	<p><i>For Other than Retail Individual</i></p> <p><i>Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	600 Equity Share and in multiples of 600 Equity Shares thereafter	

<sup>(1)</sup> Since present issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

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

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

<sup>2)</sup> In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup> In case of ASBA Applicants, the SCSB shall be authorized to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

## ISSUE PROGRAMME

<b>ISSUE OPENING DATE</b>	November 16, 2023
<b>ISSUE CLOSING DATE</b>	November 20, 2023

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)



## Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in ₹)	Lot Size(No. of shares)
Upto14	10,000
More than 14 upto18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto50	3,000
More than 50 upto70	2,000
More than 70 upto90	1,600
More than 90 upto120	1,200
More than 120 upto150	1,000
More than 150 upto180	800
More than 180 upto250	600
More than250 upto 350	400
More than350 upto 500	300
More than500 upto 600	240
More than600 upto 750	200
More than 750 upto 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 600 shares.



## ISSUE PROCEDURE

All Applicants should read 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 UPI Circulars (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Applicant through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBS applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

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 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-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Issue has been considered to be made under UPI Phase II, till any further notice issued by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent already in force, are deemed to form part of this Prospectus. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicants shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide



its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Application are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

Further, the Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the Non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual



Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.**

## APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. RIIs are mandatorily required to use the UPI Mechanism for submitting their Applications to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their Applications directly to SCSBs.

RIIs applying using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (including Applicants using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIIs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI

ASBA Applicants shall ensure that the Applications are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Applying Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorizing an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
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

<sup>(1)</sup> Excluding electronic Application Form

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Application details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic applying system of the Stock Exchanges. For RIIs using UPI Mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. For ASBA Forms (other than RIIs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Applicants has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic Application with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the



relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Application details already uploaded

For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Application entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021

The Sponsor Bank will undertake a reconciliation of Application responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Application requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis

### **Electronic registration of Applications**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the Issue.

On the Issue Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the Application information to the Registrar to the Issue for further processing

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Who Can Apply?**

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and



- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

## **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTERS GROUP AND PERSONS RELATED TO PROMOTER/PROMOTERS GROUP**

The LM shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the LM or any associates of the LM, except Mutual Funds sponsored by entities which are associates of the LM or insurance companies promoted by entities which are associate of LM or AIFs sponsored by the entities which are associate of the LM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the LM nor; (ii) any “person related to the Promoters and members of the Promoters Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters and members of the Promoters Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoters Group will not participate in the Issue.

## **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. The Applications 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.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that such Applications clearly indicate the scheme concerned for which the Application is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in 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.

## **APPLICATION by HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

## **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should



confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall 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 warrant. 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.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE / NRO accounts

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non- Residents (blue in colour).

For details of investment by NRIs, see “*Restrictions in Foreign Ownership of Indian Securities*” on page no. 208 of this Prospectus. Participation of eligible NRIs shall be subject to NDI Rules

#### **APPLICATION BY FPI**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be upto the sectoral cap applicable to the sector in which our Company operates (i.e., upto 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Applications without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalization of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue Procedure, as prescribed by SEBI from time to time.

AFPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

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 21 of the SEBI FPI Regulations, an FPI, may Offer, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative



instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- i. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- ii. 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.

The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Further, Applications received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Applications received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Applications, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected

Participation of FPIs in the Issue shall be subject to the FEMA Rules

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their investible funds in one Investee Company. A category III AIF cannot invest more than 10% of their investible funds in one Investee Company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**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.**



## **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a company: the lower of 10%\* of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a 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 a 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 operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

*\* The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

## **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company in consultation with the Lead Manager reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “Banking Regulation Act”), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold upto 30% of the paid-up share capital of the investee company with the prior



approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's 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 the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Applications by banking companies should not exceed the investment limits prescribed for them under the applicable laws

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important NBFCs 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 NBFCs, are required to be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any Application 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.

#### **APPLICATIONS BY SCSBS**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. 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.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), 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 Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company in consultation with the LM, may deem fit.

*The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus or the Prospectus*

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **Information for the Applicants**

In addition to the instructions provided to the Applicants in the *General Information Document for Investing in Public Issues*, Applicants are requested to note the following additional information in relation to the Issue.



1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten working days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days
2. The relevant Designated Intermediary will enter each Application into the electronic applying system as a separate Application and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Applicant. Therefore, an Applicant can receive upto three Acknowledgement Slips for each Application Form. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When an Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the electronic applying system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalized.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Application(s) or lower the size of their Application(s) (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application(s) during the Issue Period and withdraw their Application(s) until Issue Closing Date

#### **Do’s:**

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their Applications through the ASBA process only;
- 2) Ensure that you have apply within the Price Band
- 3) Read all the instructions carefully and complete the Application Form in the prescribed form;



- 4) Ensure that you have mentioned the correct ASBA Account number if you are not an RII applying using the UPI Mechanism in the Application Form and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Application Form;
- 5) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Applications) within the prescribed time. Retail Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
- 6) RIIs Applying in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIIs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- 7) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries.
- 8) In case of joint Applications, ensure that first applicant is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first applicant is included in the Application Form;
- 9) Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Applications options as proof of registration of the Application Form for all your Applications options from the concerned Designated Intermediary;
- 10) If the first Applicants is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
- 11) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Applicant is included in the Application Forms. PAN of the First Applicant is required to be specified in case of joint Applications;
- 12) Ensure that you submit the revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Retail Individual Investors not using the UPI Mechanism, should submit their Application Form directly with SCSBs and not with any other Designated Intermediary;
- 14) Except for Applications (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, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications 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 Applicants 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;
- 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 correct investor category and the investor status is indicated in the Application Form;



- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India is in compliance with applicable foreign and Indian laws;
- 19) Application by Eligible NRIs for an Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Applications for an Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Issue
- 20) Since the allotment will be in dematerialized form only, ensure that the Applicant's depository account is active, the correct DP ID, Client ID , PAN and UPI ID, if applicable, are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID , PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- 21) In case of ASBA Applicants (other than Retail Individual Applicants using UPI Mechanism), ensure that while Applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Applying Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
- 22) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date;
- 23) Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Issue is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website
- 24) Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application. Application, in case of RIIs submitting their Applications and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Issue Amount and subsequent debit of funds in case of Allotment;
- 25) Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
- 26) However, Applications received from FPIs bearing the same PAN shall not be treated as multiple Applications in the event such FPIs utilise the MIM Structure and such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs;
- 27) FPIs making MIM Applications using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Applications are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Applications shall be rejected;
- 28) Retail Individual Applicants who wish to revise their Applications using the UPI Mechanism should submit the revised Applications with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount in the RII's ASBA Account and



29) Ensure that the Demographic Details are updated, true and correct in all respects

The Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not submit an Application using UPI ID, if you are not a RII;
- 3) Do not apply for an Amount exceeding ₹ 2, 00,000 (for Applications by Retail Individual Applicants).
- 4) Do not pay the Application Amount in cheques, demand drafts or by cash, money order or postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not Apply at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- 7) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not submit the Applications for an amount more than funds available in your ASBA account.
- 9) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 10) In case of ASBA Applicants, do not submit more than one ASBA Forms per ASBA Account;
- 11) If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- 12) If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
- 13) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- 14) Do not Apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- 15) Do not submit the General Index Register (GIR) number instead of the PAN;
- 16) Do not submit incorrect details of the DP ID, Client ID PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 17) Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 18) Do not Apply 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);
- 19) Do not submit an Application/revise an Issue Amount, with a price less than the Issue Price;
- 20) Do not submit your Apply after 3.00 pm on the Issue Closing Date;
- 21) If you are a QIB, do not submit your Application after 3:00 pm on the QIB Issue Closing Date;



- 22) Do not Apply on another ASBA Form after you have submitted an Application to any of the Designated Intermediaries;
- 23) Do not Apply for Equity Shares in excess of what is specified for each category;
- 24) Do not fill up the Application Form such that the Equity Shares Application 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 this Prospectus;
- 25) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of RIIs Applying using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available;
- 26) Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Applicants. Retail Individual Applicant can revise their Applications during the Issue Period and withdraw their Applications on or before the Issue Closing Date;
- 27) Do not Apply, if you are an OCB;
- 28) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by RIIs using the UPI Mechanism;
- 29) RIIs Applying through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
- 30) Do not submit more than one Application Form for each UPI ID in case of RIIs Applying using the UPI Mechanism; and
- 31) Do not submit Applications to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page no. 43 on this Prospectus

For helpline details of the LM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information - Lead Manager*” on page no.43 on this Prospectus

## **GROUND FOR REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications which do not contain details of the Application Amount and the bank account or UPI ID (for RIIs using the UPI Mechanism) details in the Application Form;
3. Applications submitted on plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Applications under the UPI linked Mechanism submitted by Retail Individual Applicants using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);



6. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Applicant;
9. ASBA Form by the RIIs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Application by Retail Individual Applicants with Application Amount for a value of more than ₹ 200,000
13. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Applications accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;
15. Applications uploaded by QIBs after 4.00 p.m. on the QIB Issue Closing Date and by Non-Institutional Applicants uploaded after 4.00 p.m. on the Issue Closing Date, and Applications by Retail Individual Applicants uploaded after 5.00 p.m. on the Issue Closing Date, unless extended by the Stock Exchanges; and
16. Application by OCB.

#### **Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In addition to the instructions for completing the Application Form provided in the sub-section "*General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Application Form / Application Form*" Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

#### **DESIGNATED DATE AND ALLOTMENT**

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.



- (c) Allottees will have the option to re-materialize the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

#### **Names of entities responsible for finalizing the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum Application lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. 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 XIII of the SEBI Regulations.

#### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on June 23, 2023.
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on no. 43 of this Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26, 28 and all other provision applicable as per Companies Act.

#### **Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”



The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.

### **Undertaking by our Company**

Our Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) That if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

### **Utilization of Net Proceeds**

Our Company specifically confirms and declares that:

- 1) All monies received out of the Issue of specified securities to public shall be credited/ transferred to 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 to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised and;
- 3) Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under the appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested



## 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Reserve Bank of India (“RBI”) and the concerned ministries/departments are responsible for granting approval for foreign investment under the FDI Policy and FEMA.

The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which is effective from October 15, 2020 (the “FDI Policy 2020”), which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For details, see “*Key Regulations and Policies*” on page no. 101 of this Prospectus.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectorial limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in the United States.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applications for do not exceed the applicable limits under laws or regulations.**



## SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### *Public Company*

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### *Share capital and variation of rights*

4. (i) The Authorised Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made there under, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such times as the Directors think fit.

5. (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.

6. (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 company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.

7. 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.

8. (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 there under.

(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.
9. (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.
10. 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.
11. 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*

12. (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.
- (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
13. 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.
14. (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.
15. (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***

- 16. (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.
  - (iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.
- 17. 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.
  - 18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
  - 19. (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.
  - 20. (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.
  - 21. 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 but shall not confer a right to dividend or to participate in profits.

#### ***Transfer of shares***

- 22. (i) The Company shall use a Common form of transfer. 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.



23. The Board may, subject to the right of appeal conferred by section 58 decline 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.
24. 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
  - (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.
25. 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.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

#### *Transmission of Shares*

27. (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.
28. (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.
29. (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.

30. 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*

31. 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.
32. 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.
33. 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.
34. (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.
35. (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.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.



37. 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***

38. 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. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) increase its authorised share capital by such amount as it thinks expedient.
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (e) 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.

40. 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.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### ***Capitalisation of profits***

42. (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, Securities Premium Accounts 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);
  - (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally 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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### ***Dematerialisation of Securities***

#### **44. For the purpose of this Article:-**

**“Beneficial Owner”:** Beneficial Owner shall have the meaning assigned thereto in section 2(1) (a) of the Depositories Act, 1996.

**“Depositories Act”:** Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

**“Depository”:** Depository shall mean a Depository as defined in section 2(1) (e) of the Depositories Act, 1996.

**“Member”:** Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

**“Security”:** Security shall mean such security as may be specified by SEBI.



**“Dematerialisation of Securities”:** Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form and further to rematerialize the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

**“Option to hold securities in physical form or with depository”:** Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

**“Beneficial Owner may opt out of a Depository”:** Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

**“Securities in Depositories to be in fungible form”:** All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**“Rights of depository and beneficial owners”:** A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

**“Transfer of securities”:** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**“Register and Index of beneficial owners”:** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

**“Other matters”:** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialization of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

#### *Nomination*

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

#### *Buy-Back of Shares*



46. 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***

47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
48. (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***

49. (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.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) 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.
- (v) 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***

50. (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***

51. 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.
52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
53. (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.
54. 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.
55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
56. 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.
57. (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***

58. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
60. 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***

61. The minimum number of Directors shall be 3 and maximum number of directors shall be 15.  
The following shall be the First Directors of the Company:-  
1. AJIT MUNDLE  
2. JYOTI MUNDLE
62. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

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.

63. The Board may pay all expenses incurred in getting up and registering the company.
64. 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.
65. 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.
66. 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.
67. (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 upto 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***

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.  
(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
69. 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.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (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.
72. A committee may elect a Chairperson of its meetings.
73. 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.



74. (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.
75. 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.
76. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

77. 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.
78. 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.

***Managing Director***

79. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
80. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

***The Seal***

81. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.



### ***Dividends and Reserve***

82. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
83. 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.
84. (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.
85. (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.
86. 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.
87. (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
88. 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.
89. 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.
90. No dividend shall bear interest against the company.
91. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

### ***Accounts***

92. (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 authorised by the Board or by the company in general meeting.



### ***Winding Up***

93. 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.
94. 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.
95. 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***

96. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



## SECTION XII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to here under, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) Application/Issue Opening Date until the Application/Issue Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material Contracts

- 1) Memorandum of Understanding dated June 20, 2023 between our Company and the Lead Manager.
- 2) Memorandum of Understanding dated June 20, 2023 between our Company and the Registrar to the Issue.
- 3) Escrow Agreement dated July 24, 2023 between our Company, the Lead Manager, Escrow Collection Bank(s) / Sponsor Bank and the Registrar to the Issue.
- 4) Market Making Agreement dated June 23, 2023 between our Company, the Lead Manager and Market Maker.
- 5) Underwriting Agreement dated June 23, 2023 between our Company, the Lead Manager and the Market Maker.
- 6) Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated May 02, 2023.
- 7) Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated June 01, 2023.

#### B. Material Documents

- 1) Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Copy of Certificate of Incorporation dated July 25, 1991 issued under the name Arrowhead Separation Engineering Private Limited by Registrar of Companies, Mumbai.
- 3) Copy of Fresh Certificate of Incorporation dated April 18, 2023 issued by Registrar of Companies, Mumbai consequent to name change from Arrowhead Separation Engineering Private Limited to Arrowhead Separation Engineering Limited pursuant to the conversion of our Company into a Public Limited Company.
- 4) Resolution of the Board of Directors dated May 29, 2023 in relation to the Issue.
- 5) Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on June 02, 2023 in relation to the Issue.
- 6) Statutory Auditor's report for Restated Financials dated October 25, 2023 included in this Prospectus.
- 7) The Statement of Tax Benefits dated October 25, 2023 from our Statutory Auditors included in this Prospectus.
- 8) Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company, Lead Manager, Legal Advisor, Registrar to the Issue, Banker to the Issue, Underwriters and Market Maker to act in their respective capacities.
- 9) Due Diligence Certificate(s) dated November 08, 2023 to SEBI by the Lead Manager.



- 10) Approval from BSE vide letter dated August 21, 2023 to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE Limited.



## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**SIGNED BY THE CHAIRMAN AND MANAGING DIRECTOR OF OUR COMPANY:**

Sd/-

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**Ajit Mundle**

Chairman & Managing Director

**Date: November 08, 2023**

**Place: Nashik**



## **DECLARATION**

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

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**Jyoti Mundle**  
Whole Time Director

**Date: November 08, 2023**  
**Place: Nashik**



## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

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**Priyanka Moondra Rathi**  
Non-Executive Independent Director

**Date: November 08, 2023**

**Place: Nashik**



## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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**Mayuri Rupareliya**

Non-Executive Independent Director

**Date: November 08, 2023**

**Place: Nashik**



## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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**Nikhil Malpani**

Non-Executive Independent Director

**Date: November 08, 2023**

**Place: Nashik**



## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

Sd/-

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**Radhika Bhootra**

Company Secretary and Compliance Officer

**Date: November 08, 2023**

**Place: Nashik**



## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Sd/-

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**Sitaram Sakharam Kavar**  
Chief Financial Officer

**Date: November 08, 2023**

**Place: Nashik**