





(scan this QR code to view the Draft Prospectus)

DRAFT PROSPECTUS  
Dated: June 10, 2025  
(The Draft Prospectus will be updated upon filing with the RoC)  
Please Read Section 26 and 32 of Companies Act, 2013  
**Fixed Price Issue**



**EARKART LIMITED**  
**CORPORATE IDENTITY NUMBER: U74999DL2021PLC399313**

REGISTERED & CORPORATE OFFICE		CONTACT PERSON		TELEPHONE AND EMAIL	WEBSITE
Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi, Delhi, Delhi-110096		Preeti Srivastava Company Secretary & Compliance Officer		Email: cs@earkart.in Tel. No.: 0120-4102857	www.earkart.in
OUR PROMOTERS: ROHIT MISRA AND MONIKA MISRA					
DETAILS OF THE OFFER TO THE PUBLIC					
TYPE	FRESH ISSUE	OFS Size	TOTAL ISSUE SIZE	ELIGIBILITY	
Fresh Issue & Offer for Sale	Upto 33,15,000 Equity Shares of ₹10 each aggregating up to ₹[●] lakhs	Upto 3,34,000 Equity Shares of ₹10 each aggregating up to ₹[●] lakhs	₹[●] lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors see “Offer Structure” on page 275	
NAME OF THE SELLING SHAREHOLDER	TYPE	NO OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS*		
Rohit Misra	Promoter	3,34,000	₹ 0.35		
RISKS IN RELATION TO THE FIRST ISSUE					
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Offer Price of ₹[●] is [●] times of the face value of the Equity Shares. The Offer Price (determined and justified by our Company and selling shareholder in consultation with the Lead Manager) as stated under “Basis for Offer Price” beginning on page no.109 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISK					
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 29 of this Draft Prospectus.					
ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The selling shareholder, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Prospectus to the extent of information specifically pertaining to them and their respective portion of the offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assume no responsibility, as a Selling Shareholder, for any other statement in this Draft Prospectus, including, inter alia, any of the statements made by or relating to our company or our company's business or any other person(s).					
LISTING					
The Equity Shares offered through Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Offer, the Designated Stock Exchange will be the BSE Limited (“BSE”).					
LEAD MANAGER					
Lead Manager to the Offer		Contact Person		Email and Telephone	
 Sarathi Capital Advisors Private Limited		Pankaj Chaurasia		Email Id: ipo@sarthiwm.in Tel No.: +91 22 2652 8671/ 72	
REGISTRAR TO THE OFFER					
Registrar to the Offer		Contact Person		Email and Telephone	
 Skyline Financial Services Private Limited		Anuj Rana		Email: ipo@skylinerta.com Tel No.: +91-11-26812683/40450193/97	
OFFER PERIOD					
OFFER OPENS ON				[●]	
OFFER CLOSES ON^				[●]	

^The UPI mandate end time and date shall be at 5:00 p.m. on the Offer Closing Date.

THIS PAGE HAS BEEN LEFT  
INTENTIONALLY BLANK



## EARKART LIMITED

Our Company was originally formed as a Private Limited Company in the name and style of "Earkart Private Limited" under the provisions of the Companies Act, 2013 on April 14, 2021 vide Certificate of Incorporation issued by Registrar of Companies, Kanpur bearing CIN: U74999UP2021PTC145093. Subsequently, our Company was converted into a Public Limited Company under the Companies Act, 2013 pursuant to a special resolution passed by the shareholders of our Company on November 27, 2024 and the name was changed to "Earkart Limited" pursuant to a fresh Certificate of Incorporation dated December 18, 2024 issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U74999DL2021PLC399313. For further information, please refer chapter "Our History and Certain Other Corporate Matters" on page 163 of this Draft Prospectus.

**Registered Office:** Shop No. 8-P, Street No 6, Vasundhara Enclave, East Delhi, Delhi-110096; **Tel. No:** +91 9560576416;  
**Corporate Office:** A-133 Ground floor, Gautam Buddha Nagar Sector 63, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301  
**E-mail:** info@earkart.in; **Website:** www.earkart.in; **Contact Person:** Preeti Srivastava, Company Secretary and Compliance Officer  
**Corporate Identity Number:** U74999DL2021PLC399313

### OUR PROMOTERS: ROHIT MISRA AND MONIKA MISRA

**INITIAL PUBLIC OFFERING UP TO 36,49,000 EQUITY SHARES OF ₹10 EACH ("EQUITY SHARES") OF EARKART LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING ₹[●] LAKHS ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF 33,15,000 EQUITY SHARES AGGREGATING ₹[●] LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF 3,34,000 EQUITY SHARES ("OFFERED SHARES") AGGREGATING ₹[●] LAKHS, BY ROHIT MISRA (SELLING SHAREHOLDER), THE ("OFFER FOR SALE"). OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR A CASH PRICE OF ₹[●] PER EQUITY SHARE, AGGREGATING TO RS[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AT AN ISSUE PRICE OF ₹[●] /- PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.53 % AND [●] %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE 268 OF THE DRAFT PROSPECTUS.**

In terms of Rule 19(2)(b)(i) of the SCRR this Offer 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 and allocation in the net offer to the public will be made as per regulation 253(3) of the SEBI ICDR Regulations 2018, as amended and in compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for individual applicants who applies for minimum application size and the balance shall be offered to Individual applicants other than Individual Investor who applies for minimum application size and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Individual Investors who applies for minimum application size is less than 50%, then the balance Equity Shares in that portion will be added to the Individual Investors who applies for more than minimum application and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Individual Investors who applies for minimum application size category is entitled to more than fifty per cent on proportionate basis, the Individual Investors who applies for minimum application size shall be allocated that higher percentage. For details in this regard, specific attention is invited to "Offer Procedure" beginning on page 279 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE OFFER PRICE IS ₹ [●] IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY.**

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Offer Price of ₹[●] is [●] times of the face value of the Equity Shares. The Offer Price (determined and justified by our Company and selling shareholder in consultation with the Lead Manager) as stated under "Basis for Offer Price" beginning on page no. 109 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the statement of 'Risk Factors' given on page 29.

### ISSUER'S AND PROMOTERS, SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The selling shareholder, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Prospectus to the extent of information specifically pertaining to them and their respective portion of the offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assume no responsibility, as a Selling Shareholder, for any other statement in this Draft Prospectus, including, inter alia, any of the statements made by or relating to our company or our company's business or any other person(s).

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited ("BSE") for using its name in the offer document for listing of our shares on the SME Platform of BSE Limited ("BSE SME"). For the purpose of the Offer, the Designated Stock Exchange will be BSE Limited ("BSE"). A copy of Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of Companies Act, 2013.

LEAD MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
 S A R T H I	<b>Sarathi Capital Advisors Private Limited</b> CIN: U65190DL2012PTC238100 401, 4 <sup>th</sup> Floor, Manek Plaza, 167, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai – 400 098 <b>Tel No.:</b> +91 22 2652 8671/ 72 <b>Email Id:</b> ipo@sarthiwm.in <b>Website:</b> www.sarthiwm.in <b>Contact Person:</b> Pankaj Chaurasia <b>SEBI Registration No.:</b> INM000012011	 Skyline Financial Services Pvt. Ltd.	<b>Skyline Financial Services Limited</b> CIN: U74899DL1995PTC071324 D/153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020 <b>Tel No.:</b> +91-11-26812683/40450193/97 <b>Email Id:</b> ipo@skylinerta.com <b>Website:</b> www.skylinerta.com <b>Contact Person:</b> Anuj Rana <b>SEBI Registration No.:</b> INR000003241
OFFER PROGRAMME			
OFFER OPENS ON		●	
OFFER CLOSES ON^		●	

^The UPI mandate end time and date shall be at 5.00 p.m. on the Offer Closing Date.

THIS PAGE HAS BEEN LEFT  
INTENTIONALLY BLANK

## Contents

SECTION I – GENERAL .....	1
DEFINITIONS AND ABBREVIATIONS .....	1
CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	15
FORWARD-LOOKING STATEMENTS.....	18
SUMMARY OF THE OFFER DOCUMENT .....	20
SECTION II - RISK FACTOR.....	29
SECTION III INTRODUCTION .....	61
THE OFFER .....	61
SUMMARY OF FINANCIAL STATEMENTS .....	63
GENERAL INFORMATION .....	66
CAPITAL STRUCTURE.....	75
OBJECTS OF THE OFFER.....	92
BASIS FOR OFFER PRICE.....	109
STATEMENT OF TAX BENEFITS.....	114
SECTION IV: ABOUT OUR COMPANY .....	117
INDUSTRY OVERVIEW .....	117
OUR BUSINESS .....	135
KEY REGULATIONS AND POLICIES .....	156
HISTORY AND CERTAIN CORPORATE MATTERS .....	163
OUR MANAGEMENT .....	169
OUR PROMOTER AND PROMOTER GROUP .....	184
OUR GROUP COMPANIES.....	189
DIVIDEND POLICY.....	190
SECTION V - FINANCIAL INFORMATION .....	191
RESTATED FINANCIAL STATEMENTS .....	191
OTHER FINANCIAL INFORMATION .....	229
RELATED PARTY TRANSACTION .....	230
CAPITALIZATION STATEMENT .....	231
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONITION AND RESULTS OF OPERATIONS	232
FINANCIAL INDEBTEDNESS .....	249
SECTION VI-LEGAL AND OTHER INFORMATION .....	250
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS.....	250
GOVERMENT AND STATUTORY APPROVALS .....	254
OTHER REGULATORY AND STATUTORY DISCLOUSER.....	259
SECTION VII – OFFER RELATED INFORMATION .....	268
TERMS OF THE OFFER.....	268
OFFER STRUCTURE .....	275
OFFER PROCEDURE.....	279
RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	308
SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION .....	310
SECTION IX: OTHER INFORMATION.....	321
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	321
DECLARATION .....	323

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft 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, policy, circular, notification, clarification, direction or policies shall be to such legislation, act, regulations, rule, guidelines, policies, circulars, notifications or clarifications, modifications, replacements or re-enactments thereto, as amended, from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the same meanings ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms used in “Objects of the Offer”, “Basis for Offer Price”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “History and Certain Corporate Matters”, “Restated Financial Information”, “Financial Indebtedness”, “Outstanding Litigation and Material Developments”, “Other Regulatory and Statutory Disclosures” and “Description of Equity Shares and Terms of Articles of Association” on pages 92, 109, 114, 117, 156, 163, 191, 249, 250, 259 and 310, respectively, shall have the meanings ascribed to them in the relevant section.

#### General Terms

Term	Description
“Our Company” or “the Company” or “Earkart” or the Issuer	Earkart Limited a Public Limited Company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi, Delhi-110096.
“we” or “us”, or “our”	Unless the context otherwise indicates or implies, our Company.

#### Company Related Terms

Term	Description
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time.
Associate Companies	A Body Corporate in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.
Auditor/Statutory Auditor	The Auditor of the Company being Timsi and Associates, Chartered Accountants, having their Office at A-125, Sector 48, Noida-201301.
Audit Committee	The Audit Committee of our Board, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 as described in “Our Management – Committees of our Board – Audit Committee” on page 169.
Approvals	Various statutory and regulatory permits, licenses, registrations, certifications, consents and approvals to carry out our business and operations as stated in “Government and Other Approvals” on page 169.
Banker to our Company	ICICI Bank
“Board” or “Board of Directors” or “our Board”	The director(s) on our Board, as duly constituted from time to time, including any committee(s). For further details of our directors, please refer to chapter titled “Our Management” beginning on page 169 of this Draft Prospectus.
Committee(s)	Duly constituted committee(s) of our Board.

Term	Description
Central Registration Centre (CRC)	It's an initiative of the Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with the best global practices. For more details, please refer <a href="http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html">http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html</a> .
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Preeti Srivastava as disclosed in “Our Management” on page 169
Chief Financial Officer	The Chief Financial Officer of our Company, being Ajay Kumar Giri as disclosed in “Our Management” on page 169
CIN	U74999DL2021PLC399313
Director(s)	The Directors on our Board, as appointed from time to time. For details, see “Our Management” on page 169.
Equity Shares	Equity Shares of our Company of Face Value of ₹10 each.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Executive Director/ ED	Executive Director(s) on our Board, as disclosed in “Our Management” on page 169.
Group Companies	The companies identified as ‘group companies’ in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations including the Materiality Policy. For details, see “Our Group Companies” beginning on page 189.
Independent Director	The Independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see “Our Management” beginning on page 169.
ISIN	International Securities Identification Number of our Company i.e. INE1A8F01035.
Key Management Personnel	Key management personnel of our Company in terms of regulation 2(1)(bb) of the SEBI Regulations, 2018 and section 2(51) of the Companies Act, 2013 and as disclosed in the section titled “Our Management” on page 169.
Managing Director	Managing Director of our Company, Rohit Misra, For details, please refer to the chapter titled “Our Management” beginning on page 169.
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated January 31, 2025 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations 2018.
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board described in the chapter titled “Our Management” beginning on page 169
Non-Executive Director(s)	The Non-Executive Directors (other than the Independent Directors) on our Board, as disclosed in “Our Management” on page 169.
Peer Reviewed Auditor	M/s. Singhi Chugh & Kumar, Chartered Accountants, having their Office at No.001, B7/107A, Safdurjung Enclave Extension, New Delhi-110029.
“Promoter” or “our Promoters”	Promoters of our Company being Rohit Misra and Monika Misra. For details, please see “Our Promoter and Promoter Group” beginning on page 184
Promoter Group	The Individuals and entities constituting our Promoter group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 and a list of which is provided in the chapter titled “Our Promoters and Promoter Group” beginning on page 184
Registered Office	The Registered Office of our Company located at Shop No. 8-P, Street No. 6, Vasundhara Enclave, East Delhi, Delhi-110096
Registrar of Companies/ROC	Registrar of Companies, Delhi

Term	Description
Restated Financial Information	The Restated financial information of the Company comprising of the restated financial information of assets and liabilities for the period ended December 31, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, the restated financial information of profit and loss and the restated financial information of cash flows for the period ended December 31, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 the summary statement of material accounting policies and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India ("ICAI"), as amended.
Selling Shareholder or Promoter Selling Shareholder	Promoter selling shareholder being Rohit Misra.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/ Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Shareholder(s)	Shareholder(s) of our Company from time to time.
Stakeholders Relationship Committee	Stakeholders' Relationship Committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations and as described in the chapter titled "Our Management" beginning on page 169
"Senior Management Personnel"	Senior management personnel of our Company in terms of Regulation 2(1)(bbbbb) of the SEBI ICDR Regulations as described in "Our Management – Senior Management Personnel of our Company" on page 169

#### Offer Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to an applicant as proof of registration of the Application Form.
Allocation / Allocation of Equity Shares	Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Offer to the successful applicants.
Allotment Advice	Note or Advice or Intimation of Allotment sent to the successful applicant who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall have been allotted.
Allotment Date	Date on which Allotment is made.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Offer.



Term	Description
ASBA/Application Supported by Blocked Amount.	An application, whether physical or electronic, used by ASBA applicant to make an application and authorizing an SCSB to block the application Amount in the ASBA Account and will include applications made by UPI applicant using the UPI Mechanism where the application Amount will be blocked upon acceptance of UPI Mandate Request by the UPI applicant using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA applicant, as specified in the ASBA Form submitted by ASBA applicant for blocking the application Amount mentioned in the relevant ASBA Form and includes the account of a UPI applicant which is blocked upon acceptance of a UPI Mandate Request made by the UPI applicant using the UPI Mechanism.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicants(s) in this Offer who apply (ies) through the ASBA process.
Banker(s) to the Offer/ Public Offer Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public Offer Account will be opened and, in this case, being [●].
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Offer and which is described under chapter titled “Offer Procedure” beginning on page 279
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application forms to a Registered Broker. the details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
BSE SME	SME Platform of BSE for listing of Equity Shares offered under Chapter IX of the SEBI ICDR Regulations.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure application at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the applicant including the applicants address, name of the applicants father or husband, investor status, occupation, bank account details PAN and UPI ID, wherever applicable.
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time.

Term	Description
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Offer Account or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID, as appropriate, after the Offer is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the applicant, in relation to the Offer.
Designated Stock Exchange	BSE Limited (SME Exchange) (BSE SME)
Draft Prospectus//DRHP	This Draft Prospectus dated June 10, 2025, filed on SME platform of BSE and disseminated with SEBI, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the offer, including the price at which the Equity Shares are offered and the size of the Offer, and includes any addenda or corrigenda thereto.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Draft Prospectus constitutes an invitation to subscribe to the Equity Shares issued herein.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make Issue/ invitation under the Offer and in relation to whom the Application Form and the Prospectus constitutes an invitation to purchase the Equity Shares.
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as Banker (s) to an offer under the Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●].
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form and in case of joint applications, whose name shall also appear as the first holder of the beneficiary account or UPI linked account number held in joint names.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 as amended.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Fresh Issue	Fresh issue of up to 33,15,000 Equity Shares of face value of ₹10 each aggregating up to ₹ [●] lakhs by our Company.
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 suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020.
Gross Proceeds	The total Offer Proceeds to be raised pursuant to the Fresh Issue.
Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Applicants, who apply for an amount less than or equal to ₹2,00,000.
Individual Investor Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Individual applicant (subject to valid application being received at or above the Offer Price), which shall not be less than the

Term	Description
	minimum Lot size subject to availability in the Individual Investor Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME platform of BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] share to the successful applicants.
Key Performance Indicators/ KPIs	Key Financial and operational performance indicators of our Company, as included in 'Basis for the Offer Price on page 109
Market Making Agreement	Market Making Agreement dated [●], between our Company, Lead Manager and Market Maker.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the SME Platform of BSE Limited. In our case, [●].
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of Face Value of ₹10 each fully paid for cash at a price of ₹[●] per Equity Share aggregating ₹[●] for the Market Maker in this Offer.
Market Making Agreement	The Market Making Agreement dated [●] between our Company and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Net Offer	The Offer, excluding the Market Maker Reservation Portion, of [●] Equity Shares of Face Value of ₹10 each fully paid for cash at a price of ₹[●] Equity Share aggregating ₹[●] Lakhs by our Company.
Net Proceeds	Proceeds of the Offer, i.e., gross proceeds of the Offer less the Offer Expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "Objects of the Offer" beginning on page 92.
Non-Institutional Investors	All Applicants, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI, that are not QIBs (including Anchor Investors) or Individual Investor who applies for minimum application size, who have Bid for more than two lots for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	<p>The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional applicants, subject to valid application being received at or above the Offer Price or in the following manner.</p> <ol style="list-style-type: none"> <li>one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees;</li> <li>two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ten lakh rupees: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.</li> </ol>

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs, including overseas trusts in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
Offer for Sale	The offer for sale of up to 3,34,000 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] by the Promoter Selling Shareholder.
Offer Period	The Offer period shall be [●], being the Issue Opening Date, to [●], being the Offer Closing Date.
Offer Closing Date	[●], The Date on which Offer closes for subscription
Offer Opening Date	[●], The Date on which Offer opens for subscription
Offer Proceeds	Proceeds from the Fresh Issue that will be available to our Company, being ₹[●] Lakhs.
Offer Agreement	The offer agreement dated May 21, 2025 entered into amongst our Company, the Promoter Selling Shareholder and the Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Offer.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations, including any addenda or corrigenda thereto.
Public Offer Account	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account Agreement	Agreement to be entered into by our Company, the Registrar to the Offer, the Lead Manager, and the Public Offer Bank/Banker to the Offer for collection of the Application Amounts.
Qualified Institutional Buyers or QIBs	QIBs, as defined in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund and alternative investment fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.

Term	Description
Registrar Agreement	The agreement dated May 21, 2025 entered between our Company, Promoter Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer.
Registrar and Share Transfer Agents or RTAs	Registrar to the Offer being Skyline financial Services Private Limited.
Refund Account (s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank Account(s), from which monies to be refunded to the Applicants shall be transferred from the Public Offer Account in case listing of the Equity Shares does not occur.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Skyline Financial Services Private Limited having office at D-153 A 1 <sup>st</sup> Floor Okhla Industrial Area, Phase-I, New Delhi-110020.
Revision Form	<p>The form used by the applicant to modify the quantity of Equity Shares or the application Amount in any of their Application Forms or any previous Revision Form(s).</p> <p>Non- Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the application Amount) at any stage. Individual Investors can revise their application during the Offer Period and withdraw their applications until Offer Closing Date.</p>
SCORES	SEBI Complaints Redress System, a centralized web based complaints redressal system launched by SEBI.
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Offer registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time.
Specified Locations	The applications centres where the Syndicate shall accept Application Forms from relevant applicant, 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	Shall mean a Banker to the Offer registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI.
Underwriter	Underwriter to the Offer being [●]
Underwriting Agreement	The agreement to be entered into between our Company and the Underwriters on or after the Offer closing Date but prior to filing of the Prospectus with the RoC.
UPI Mechanism	The mechanism that may be used by a RII to make an application in the Issue in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.
Unified Payments Interface	It is an instant payment system developed by National Payments Corporation of India which allows instant transfer of money between

Term	Description
	any two persons' bank accounts using a payment address which uniquely identifies a person's Bank account.
UPI Circulars	Collectively, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021 SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the RTA Master Circular and SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI.
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 authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI PIN	Password to authenticate transaction through UPI mechanism.
Wilful Defaulter	As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
Working Day	Unless the context otherwise requires: Working Days shall be as defined under Regulation 2(1)(mmm) of SEBI (ICDR), 2018 and all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

#### Technical and Industry Terms

Term	Description
AI	Artificial Intelligence
ALMCO	Artificial Limbs Manufacturing Corporation of India
AMD	Advanced Micro Devices

Term	Description
BTE	Behind the Ear –Hearing aid outside of the outer ear
CIC	Completely in Canal - A type of hearing aid designed to fit entirely within the ear canal, leaving only a small portion visible
ENT	Ear Nose and Throat
ESDM	The Electronics System Design & Manufacturing
EMC	Electronic Manufacturing Cluster
ETP	Effluent Treatment Plant
GeM	Government e-Marketplace
HFI	High Frequency Indicators
MIC	Microphone
MSIED	Multi-Sensory Integrated Educational Development
OMNI	Remote Video Audiometry Device
QC	Quality Control
RCI	Rehabilitation Council of India
RIC	Receiver-In-Canal
SIS	Shop-in Shop
TLM	Teaching Learning Material
WHO	World Health Organization

#### Conventional and General Terms/Abbreviations

Term	Description
“₹” or “Rs.” Or “Rupees” or “INR”	Indian rupees
AIFs	Alternative investments funds, as defined in, and registered under the SEBI AIF Regulations.
A/C	Account
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.
AGM	Annual General Meeting
API	Application Programming Interface
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies’ law or of this Act.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B. A	Bachelor of Arts
B. Com	Bachelor’s Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Category I AIF	AIFs registered as “Category I alternative investment funds” under the SEBI AIF Regulations.
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II AIF	AIFs registered as “Category II alternative investment funds” under the SEBI AIF Regulations.

Term	Description
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
Category III AIF	AIFs registered as “Category III alternative investment funds” under the SEBI AIF Regulations.
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
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.
CrPC	Code of Criminal Procedure, 1973, as amended.
CS	Company Secretary
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant’s Identity
DB	Designated Branch
EBIT	Earning Before Interest & Tax)
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
“Financial Year” or “Fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.
GST	Goods & Service Tax



Term	Description
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards.
Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “Our Management” beginning on page 169
Ltd.	Limited
MBA	Master in Business Administration
MCA	Ministry of Corporate Affairs, Government of India
M.Com	Master Degree in Commerce
MD	Managing Director
MOU	Memorandum of Understanding
MNC	Multinational corporation
MSMEs	Micro, small and medium enterprises
N/A or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, and all reserves created out of the profit [securities premium account and debit or credit balance of profit and loss account], after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non-Resident Ordinary Account
BSE	BSE Limited
NSDL	National Securities Depository Limited.

Term	Description
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act
PML Rules	Prevention of Money Laundering Rules
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoE	Return in Equity
RoNW	Return on Networth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
SEBI (ICDR) Regulations/ Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SME	Small and Medium Enterprise
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI	Small Scale Industry
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange	BSE Limited (BSE SME)
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number

<b>Term</b>	<b>Description</b>
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UPI	Unified Payment Interface
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following:

- (i) In the section titled ‘Main Provisions of the Articles of Association’ beginning on page 310 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled ‘Restated Financial Information’ beginning on page 191 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled “Statement of Possible Tax Benefits” beginning on page 114 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter.

[The remainder of this page has intentionally been left blank]

## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references in the Draft Prospectus to “India” are to the Republic of India and its territories and possessions and all references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America and its territories and possessions.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Earkart Limited”, and, unless the context otherwise indicates or implies, refers to Earkart Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Financial Data**

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the restated financial information of our Company, prepared in accordance with the applicable provisions of the Companies Act, IndAS or Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Restated Financial Information’ beginning on page 191 of this Draft Prospectus. Our restated financial information is derived from our audited financial information prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial information prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Information’ beginning on page 191 of this Draft Prospectus.

### **Currency of Presentation**

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

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

## Exchange rates

This Draft Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1 USD	85.62	83.37	82.22	75.81

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

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places.

## Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein 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.

Although, the industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the Lead Manager or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies, and assumptions may vary widely among different market and industry sources. In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Offer Price” on page 109 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Lead Manager, have independently verified such information.

## Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the issue, including the merits and risks involved.

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”), 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 under the U.S. Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act of 1940, as amended (the “U.S. Investment Company Act”) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons within the United States or to or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), who are both (a) “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”) and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in one or more transactions exempt from the registration requirements of the U.S. Securities Act; and (b) “qualified purchasers” (as defined in Section 2(a)(51) of the U.S. Investment Company Act and referred to in this Prospectus as “QPs”) in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States, to

investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in “offshore transactions” in reliance on Regulation under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. See “Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions” on page 259.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

[The remainder of this page has intentionally been left blank]

## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate 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 which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence 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 and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. Our revenue from sale of products derived from government institutions accounted for 64.93%, 75.85% and 86.56% for the period ended December 31, 2024, fiscal years 2024 and 2023 respectively. A failure to secure similar government contracts or orders in the future could adversely impact our business, operating results, and financial condition.
2. We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires time and cost, and any adverse regulatory action may adversely affect our financial condition, cash flows and business operations.
3. We face risks relating to sourcing of raw materials and components for manufacturing of our hearing aids and related devices from third parties.
4. Our Manufacturing Facility is located in Noida, Uttar Pradesh. Any disruption, breakdown or shutdown of our Manufacturing may have a material adverse effect on our business, financial condition, results of operations and cash flow.
5. Loss of any of our key customers or reduction in demand from our customers may materially and adversely affect our business and financial performance.

For further discussion on factors that could cause actual results to differ from expectations, see ‘Risk Factors’, ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ on pages 29, 135 and 232 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

We cannot assure you that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Prospectus 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 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. Neither our Company, the Promoter Selling Shareholders, our Directors, 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 the SEBI ICDR Regulations, our Company, the Promoter Selling Shareholder and the Lead Manager will ensure that the investors in India are informed of material developments pertaining to our Company and the Offered Shares from the date of this Draft Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

The Promoter Selling Shareholder shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder to the extent of information specifically pertaining to them as Selling Shareholders and their portion of the Equity Shares offered in the Offer in the Prospectus until the receipt of final listing and trading approvals from the Stock Exchanges for the Offer.

[The remainder of this page has intentionally been left blank]



## SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer and certain disclosures included in this Draft Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Industry Overview”, “Our Business”, “Objects of the Offer”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Outstanding Litigation and Material Developments”, “Offer Structure”, “Management’s Discussions and Analysis of Financial Position and Results of Operations” on pages 29, 61, 75, 117, 135, 92, 184, 191, 250, 275, and 232 respectively.

### Primary Business of our Company

We Manufacture and distribute modern hearing aids and related accessories at affordable price across India. Along with our own manufactured hearing aid, we also trade in hearing aid, parts and accessories of other brands manufactured in India and abroad. In addition, we offer other products like adjustable foldable walkers and Multi-Sensory Integrated Educational Development (MSIED) and Teaching Learning Material (TLM) kits to support mobility and daily needs of physically challenged. Our mission is to make quality hearing care more accessible. We’ve developed a smart and easy-to-use Remote Audiometry Machine (OMNI) that allows people to get tested and fitted for hearing aids from anywhere in the world. By combining advanced technology with a strong focus on customer needs, we aim to improve hearing care across India.

For further information, see “Our Business” on page 135.

### Industry Overview

Hearing loss occurs when there is a problem in the hearing system and is defined by WHO as the inability to hear sounds below 35 decibels in the better ear. About 80% of people with disabling hearing loss live in low- and middle-income countries, and risk increases with age, especially after 60. There are three main types: conductive (outer/middle ear issues), sensorineural (inner ear or nerve damage), and mixed (a combination of both). Causes include infections, injury, noise exposure, and aging. Hearing aids, which amplify sound using a microphone, amplifier, and speaker, help people hear better in various environments.

### Our Promoters

Our Promoters namely Rohit Misra and Monika Misra.

For further details see “Our Promoters and Promoter Group” on page no. 184.

### Size of the Offer

<b>Equity Shares Offered:</b> <i>Present offer of Equity shares by our Company<sup>^</sup></i>	Up to 36,49,000* Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share aggregating ₹[●] lakhs.
<b>The Offer consists of:</b>	
<i>Fresh Issue<sup>(1)</sup></i>	Up to 33,15,000* Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share aggregating ₹[●] lakhs.
<i>Offer for Sale<sup>(2)</sup></i>	Up to 3,34,000* Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share aggregating ₹[●] lakhs.
<b>Out of Which</b>	
<i>Market Maker Reservation Portion</i>	[●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share

	(including premium of ₹[●] per Equity Share) aggregating to ₹[●] Lakhs.
<i>Net Offer to the Public</i>	[●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.

<sup>a</sup>The Offer has been authorized pursuant to the resolutions dated January 04, 2025 and January 06, 2025, passed by the Board and Shareholders of the Company respectively.

<sup>\*</sup>Subject to finalisation of Basis of Allotment.

The Offer would constitute 26.53% of the Post-Issue paid up equity share capital of our Company.

For further details, see “The Offer” and “Offer Structure” on pages 61 and 275 respectively.

- 1) The Offer has been authorized by a resolution of our Board dated January 04, 2025 and the Fresh Issue has been authorized pursuant to a special resolution of our Shareholders dated January 06, 2025.
- 2) The Promoter Selling Shareholder confirms that the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations.
- 3) The Offer for Sale has been authorized by the Promoter Selling Shareholder by consent letter dated January 10, 2025. The Board has taken on record the participation of the Promoter Selling Shareholder pursuant to the resolution dated January 31, 2025.

## Object of the Offer

The Net Proceeds are proposed to be utilized towards the following objects:

(₹ in lakhs)		
Sr. No.	Particulars	Amount
1.	Funding Incremental Working Capital requirements of our Company;	2,110.13
2.	Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.	1,733.26
3.	General Corporate Purposes*	[●]
<b>Total</b>		<b>[●]</b>

<sup>\*</sup>To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Fresh Issue or ₹1,000.00 lakhs, whichever is less in accordance with the SEBI ICDR Regulations.

For further details, see “Objects of the Offer” on page 92.

## Aggregate Pre-Issue shareholding of our Promoters and Promoter Group

Sr. No.	Name of the Shareholder	Pre-Issue Equity Share capital		Post-Issue Equity Share capital	
		No. of Equity Shares of face value of ₹10 each	% of paid-up Equity Share of capital	No. of Equity Shares of face value of ₹10 each	% of paid-up Equity Share capital
A. Promoters:					
1.	Rohit Misra	79,04,397	75.72%	75,70,397	55.04%
2.	Monika Misra	1,34,692	1.29%	1,34,692	0.98%
Total (A)		80,39,089	77.01%	77,05,089	56.02%
B. Promoters Group:					
1.	Rashmi Tyagi	98,452	0.94%	98,452	0.72%
2.	Devvansh Misra	44,092	0.42%	44,092	0.32%

Sr. No.	Name of the Shareholder	Pre-Issue Equity Share capital		Post-Issue Equity Share capital	
		No. of Equity Shares of face value of ₹10 each	% of paid-up Equity Share of capital	No. of Equity Shares of face value of ₹10 each	% of paid-up Equity Share capital
3.	Aditya Misra	39,411	0.38%	39,411	0.29%
	<b>Total (B)</b>	<b>1,81,955</b>	<b>1.74%</b>	<b>1,81,955</b>	<b>1.32%</b>
	<b>Total (A+B)</b>	<b>82,21,044</b>	<b>78.75%</b>	<b>78,87,044</b>	<b>57.34%</b>

**Note:**

The present issue of 36,49,000 Equity shares of face value of ₹10 each consists of Fresh issue of 33,15,000 equity shares of face value of ₹10 each and OFS of 3,34,000 Equity shares of face value of ₹10 each by Rohit Misra, Promoter and selling shareholder.

For further details, please see “Capital Structure” beginning on page 75.

### Summary of Restated Financial Information

(₹ in lakhs)

Particulars	As at December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Share Capital	1,043.89	6.91	6.77	6.74
Net Worth <sup>(1)</sup>	1,806.98	1,303.49	656.24	478.68
Total Revenue/Income	3,329.74	3,196.69	2,896.68	573.02
Profit After Tax	503.49	305.81	131.20	10.56
Earnings Per Share (in ₹) <sup>(2)</sup>				
Basic	2.41	2.03	0.87	0.07
Diluted	2.41	1.46	0.63	0.05
Total Borrowing (as per Balance Sheet) <sup>(3)</sup>	467.40	400.11	121.42	25.00
Net Asset Value (₹) <sup>(4)</sup>	8.66	6.24	3.14	2.29

1) “Net Worth is calculated as the sum of equity share capital and other equity attributable to owners of our Company;

2) EPS = Total Comprehensive income/Profit divided by weighted average no. of equity shares outstanding during the year/ period

3) Total borrowings is the sum of current borrowings and non-current borrowings.

4) NAV per Equity Share (in ₹) is computed as net worth at the end of the period/ year / weighted average number of equity shares outstanding at the end of the period/ year.

For further details, please see “Restated Financial Information” on page 191.

### Qualification of the Auditors

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

### Summary of Outstanding Litigation are as follows

A summary of outstanding litigation proceedings as on the date of this Draft Prospectus as disclosed in the section titled “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations is provided below:

(₹ in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved*
<b>Litigation involving our Company</b>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil

<b>Nature of Cases</b>	<b>Number of outstanding cases</b>	<b>Amount Involved*</b>
<b><i>Litigation involving our Company</i></b>		
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our Directors (other than Promoter)</i></b>		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Director	Nil	Nil
Material civil litigation by our Director	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our Promoters</i></b>		
Criminal proceedings against our Promoters	Nil	Nil
Criminal proceedings by our Promoters	Nil	Nil
Material civil litigation against our Promoters	Nil	Nil
Material civil litigation by our Promoters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our KMPs and SMPs (other than Promoters)</i></b>		
Criminal proceedings against our KMPs and SMPs	Nil	Nil
Criminal proceedings by our KMPs and SMPs	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.58

For the details of litigation proceedings, please refer the chapter titled “Outstanding Litigations and Material Developments” on page no. 250.

#### **Risk Factors**

1. Our revenue from sale of products derived from government institutions accounted for 64.93%, 75.85% and 86.56% for the period ended December 31, 2024, fiscal years 2024 and 2023 respectively. A failure to secure similar government contracts or orders in the future could adversely impact our business, operating results, and financial condition.
2. We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires time and cost, and any adverse regulatory action may adversely affect our financial condition, cash flows and business operations.
3. We face risks relating to sourcing of raw materials and components for manufacturing of our hearing aids and related devices from third parties.
4. Our Manufacturing Facility is located in Noida, Uttar Pradesh. Any disruption, breakdown or shutdown of our Manufacturing may have a material adverse effect on our business, financial condition, results of operations and cash flow.
5. Loss of any of our key customers or reduction in demand from our customers may materially and adversely affect our business and financial performance.
6. Quality problems and product liability claims could lead to recalls or safety alerts, reputational harm, and could have an adverse effect on our business, results of operations, financial condition and cash flows.
7. We are dependent on the success of our remote audiometry system Earkart OMNI and our research and development activities and the failure to develop new or improved products or process improvements or production techniques could adversely affect our business, financial condition, cash flows and results of operations and have a negative impact on our competitive position.

8. If we cannot protect our intellectual property our ability to sell current or future products may be negatively impacted.
9. We have had negative cash flows in the past and it is possible that we may experience negative cash flows in the future.
10. The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.

For further details, refer “Risk factor” on page 29

#### Summary of Contingent Liabilities

As of December 31, 2024, contingent liabilities and commitments as disclosed in the notes to Restated Financial Information aggregated to ₹7.66 Lakhs. The details of contingent liabilities are as follows:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Outstanding Bank Guarantees	7.66
<b>Total</b>	<b>7.66</b>

For further information, please see “Restated Financial Information beginning on page no. 191.

#### Summary of Related Party Transactions

<i>(₹ in Lakhs)</i>					
Nature of Transactions	Name of Related Parties	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Remuneration to Directors	Priyadarshi Jha	N/A**	14.57	16.92	15.00
	Rohit Misra	59.22	78.96	78.96	42.00
	Ajay Kumar Giri	10.93	14.10	14.10	1.43
	Monika Misra	33.84	45.12	N/A*	N/A*
	Rahul Salesha	25.70	33.16	N/A*	N/A*
	Shailendra Yadav	N/A**	Nil	Nil	Nil
<b>Total (1)</b>		<b>129.69</b>	<b>185.91</b>	<b>109.98</b>	<b>58.43</b>
Purchase of goods	Oishi Care	-	-	3.33	0.30
<b>Total (2)</b>		<b>-</b>	<b>-</b>	<b>3.33</b>	<b>0.30</b>
Loans Received From	Shailendra Yadav	-	-	-	25.00
	Priyadarshi Jha	-	-	-	26.00
<b>Total (3)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>51.00</b>
Loans Paid To	Priyadarshi Jha	-	-	-	26.00
	Shailendra Yadav	-	-	25.00	-
<b>Total (4)</b>		<b>-</b>	<b>-</b>	<b>25.00</b>	<b>26.00</b>
Sale of Goods & Services	Oishi Care	-	22.09	25.43	10.23
<b>Total (5)</b>		<b>-</b>	<b>22.09</b>	<b>25.43</b>	<b>10.23</b>
Reimbursement of Expenses	Priyadarshi Jha	N/A**	0.05	4.99	19.70
	Shailendra Yadav	N/A**	-	-	-
	Rohit Misra	11.91	73.99	82.32	.
	Ajay Kumar Giri	1.82	0.00	0.47	.
	Monika Misra	5.31	6.89	0.14	N/A*
	Rahul Salesha	5.63	4.12	0.02	N/A*
<b>Total (6)</b>		<b>24.67</b>	<b>85.00</b>	<b>87.95</b>	<b>25.52</b>
<b>Total (1+2+3+4+5+6)</b>		<b>154.36</b>	<b>208.00</b>	<b>138.74</b>	<b>94.95</b>

**\*Date of Joining:** : Monika Misra and Rahul Salesha joined the organization on March 24, 2023.  
**\*\*Date of Resignation/Leaving (w.e.f.):** : Priyadarshi Jha: November 30, 2023  
 Shailendra Yadav: July 10, 2024

For details of the related party transactions, as per the requirements under AS see 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Information, see "Financial Information on page no. 191.

### Details of Pre-IPO Placement

Our Company is not contemplating a Pre-IPO placement.

### Details of price at which specified securities were acquired by our Promoters, Promoter Group and any shareholder having rights to nominate directors or any other rights in our Company in the last three years preceding the date of this Draft Prospectus.

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Prospectus, by our Promoters, members of the Promoter Group. There are no Shareholders with nominee director or other special rights, as on the date of this Draft Prospectus.

The details of the price at which these acquisitions were undertaken are stated below:

Name of the Shareholder	Category	Date of acquisition of Equity Shares	Nature of Transaction	No. of Equity Share acquired	Acquisition price per Equity Share (₹)
Rohit Misra	Promoter	September 30, 2024	Conversion of CCPS to Equity	3,699	N.A.
		September 30, 2024	Bonus Issue	15,38,2500	N.A.
		December 13, 2024	Transfer from Priyadarshi Jha	3,23,744	7.00
Monika Misra	Promoter	September 30, 2024	Conversion of CCPS to Equity	650	N.A.
		September 30, 2024	Bonus Issue	2,67,600	N.A.
Devyansh Misra	Promoter Group	September 30, 2024	Conversion of CCPS to Equity	50	N.A.
		September 30, 2024	Bonus Issue	87,600	N.A.
Aditya Misra	Promoter Group	September 30, 2024	Conversion of CCPS to Equity	19	N.A.
		September 30, 2024	Bonus Issue	78,300	N.A.
Rashmi Tyagi	Promoter Group	September 30, 2024	Conversion of CCPS to Equity	652	N.A.
		September 30, 2024	Bonus Issue	1,95,600	N.A.
Mulk Raj Soneja	Promoter Group	September 21, 2024	Transfer from Shailendra Yadav	154	23,948
		September 30, 2024	Bonus Issue	46,200	N.A.

**Note:**

Consideration was paid at the time of allotment of the compulsory convertible preference shares of face value ₹10 each. Accordingly, no consideration was paid at the time of conversion of such compulsory convertible preference shares of face value ₹10 each into Equity Shares on September 30, 2024.

for further details, see "Capital Structure" on page 75.

## Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Prospectus.

## Average Cost of Acquisition

The average price at which the Equity Shares were acquired by our Promoters in one year preceding the date of this Draft Prospectus is as follows:

Name of Promoter	Number of Equity Shares Acquired in last one year	Average price per Equity Share (in ₹.)*
Rohit Misra	1,57,09,943	0.14
Monika Misra	2,68,250	Negligible

As certified by M/s. Timsi and Associates, Chartered Accountants, (Firm Registration No.: 020141C) Statutory Auditor have vide certificate dated June 10, 2025

The average cost of acquisition per Equity Share of our Promoters as on the date of this Draft Prospectus is:

Name of Promoter	Number of Equity Shares	Average price per Equity Share (in ₹.)
Rohit Misra	79,04,397	0.35
Monika Misra	1,34,692	Negligible

As certified by M/s. Timsi and Associates, Chartered Accountants, (Firm Registration No.: 020141C) Statutory Auditor have vide certificate dated June 10, 2025

## Issue of Equity Shares for consideration other than cash in the last one year

Except as disclosed below, our company has not issued any Equity shares for consideration other than cash in the one year preceding the date of this Draft Prospectus.

Date of allotment	Name of allottees	Number of Shares allotted	Face value per Share (₹)	Issue price per Share (₹)	Reasons for allotment
September 30, 2024	Rohit Misra	1,53,82,500	5.00	N. A	Bonus Issue in the Ratio of 150 (One Hundred and fifty) Equity shares for every 1 (one) share held
	Priya Darshi Jha	4,63,200			
	Ashneer Grover	18,51,600			
	Monika Misra	2,67,600			
	Sushma Ninad Shah	3,86,100			
	Tejas H Vohra HUF	1,93,200			
	Shalini Rustagi	1,93,200			
	Umesh Chand Goyal	1,93,200			
	Monica Gupta	1,03,200			
	Rashmi Tyagi	1,95,600			
	Kumar Agneet	2,96,700			
	Abhishek Sharma	18,600			
	Alok Kaushal	9,900			
	Amit Grover	19,800			
	Devyansh Misra	87,600			
	Aditya Misra	78,300			
	Lata Garg	1,38,600			
	Madhavendra Chandra	9,900			
	Mandayam Aji Srikanth	9,900			
	Nikhil Tripathi	19,800			
	Nilesh Rajendra Dandekar	19,800			

Date of allotment	Name of allottees	Number of Shares allotted	Face value per Share (₹)	Issue price per Share (₹)	Reasons for allotment
	Pranay Barapatre	9,900			
	Priya Rajeev Bhale	9,900			
	Rashi Sapra	9,900			
	Saruchi Arora	9,900			
	Sonali Chakrabarty Singh	9,900			
	Sunita Chaudhary	19,800			
	Surender Kumar	9,900			
	Sandeep Kapoor	19,800			
	Rahul Khatter	9,900			
	Ruchika Malik	38,700			
	Ramesh Chand Grover	29,700			
	Raghav Kacker	300			
	Tanya Gupta	37,500			
	Mansi Gupta	30,000			
	Neeraj Gupta	22,500			
	Agility Ventures Fund	2,48,100			
	3F Venture Partners II	62,700			
	Harsh Shah	40,800			
	Z21 Ventures Fund I, LP	1,06,500			
	Shruti Tulsyam	10,500			
	Vidushi Bhalla	18,900			
	Mulkraj Soneja	46,200			

#### Split / Consolidation of Equity Shares in the last one year

Except Stated below our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.

1. Pursuant to a resolution passed by our Board dated September 30, 2024, and a special resolution passed by our Shareholders at an EGM on September 30, 2024, the existing equity shares of face value of ₹10 each were sub-divided into equity shares of face value of ₹5 each.
2. Pursuant to a Resolution passed by our Board dated January 31, 2025, and a Special Resolution passed by our Shareholders at an Extra Ordinary General Meeting on February 03, 2025, the existing equity shares of face value of ₹5 each were consolidated into equity shares of face value of ₹10 each.

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

Pursuant to the application dated January 02, 2025, our Company had sought an exemption from SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations for relaxation of the strict enforcement of Regulation 2(1) (pp) and Regulation 2(1)(t) of the SEBI ICDR Regulations with regard to identification of and disclosing: (i) certain immediate relatives of our Promoters i.e., Rahul Misra (Brother of Rohit Misra and Brother in Law of Monia Misra); (ii) body corporates in which 20% or more of the equity share capital is held by such immediate relatives or any Hindu undivided families or firms of which such immediate relatives are members; (iii) body corporates in which the body corporates referred to in (ii) hold 20% or more of the equity share capital; and (iv) Hindu undivided families or firms in which the aggregate shareholding of such persons is equal to 20% or more of total capital (collectively called “Disassociated Group”), as members of the promoter group in terms of Regulation 2(1)(pp) of SEBI ICDR Regulations in the Offer Documents and from including any confirmations or disclosures required from a member of the Disassociated Group in the Offer Documents and in connection with the Offer.

SEBI pursuant to its letter dated March 31, 2025 (Ref. No. SEBI/HO/CFD/RAC-DIL1/P/OW/2025/8906/1), has stated that our Company’s request for exemption cannot be acceded to and has directed our Company to classify Mr. Rahul Misra and his connected entities as part of the Promoter Group, based on information available in the public domain.



Accordingly, to ensure compliance with the SEBI ICDR Regulations, and relying on the shareholding patterns disclosed in the latest annual returns available on the website of the Ministry of Corporate Affairs, Government of India, the Company has made the relevant disclosures in this Draft Prospectus.

## SECTION II - RISK FACTOR

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

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company and Subsidiaries used in this Section is derived from our Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this Section in conjunction with “Our Business” on page 135, “Industry Overview” on page 117 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 232 of this Draft Prospectus as well as other financial information contained herein. For capitalized terms used but not defined herein, see “Definitions and Abbreviation” on page 1 of this Draft Prospectus.*

### **Materiality:**

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

- *Some risks may not be material individually but may be material when considered collectively;*
- *Some risks may have an impact which is qualitative though not quantitative;*
- *Some risks may not be material at present but may have a material impact in the future.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, see “Forward-Looking Statements” on page 18.*

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

*In this Draft Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*Unless the context otherwise requires, in this section, references to “we”, “us” and “our” or “our Company” refers to Earkart Limited.*

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

## BUSINESS RELATED RISKS

1. *Our revenue from sale of products derived from government institutions accounted for 64.93%, 75.85% and 86.56% for the period ended December 31, 2024, fiscal years 2024 and 2023 respectively. A failure to secure similar government contracts or orders in the future could adversely impact our business, operating results, and financial condition.*

In addition to selling and supplying our offerings to private entities (retailers & distributors) we also rely on orders or contracts awarded by government institutions through tenders and purchase orders. We derive majority of revenue from contract awarded by government institutions for supply of hearing aids and ancillary devices to various government agencies, including ALIMCO under Ministry of Social Justice and Empowerment, Government of India. We receive orders based on government tenders to supply hearing aids and ancillary devices as per their specifications.

The following table list out our revenue from sale of products for the period ended December 31, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022;

(₹ in lakhs except otherwise stated)

Particulars	As on December 31, 2024	As % of Sale of Product	Fiscal 2024	As % of Sale of Product	Fiscal 2023	As % of Sale of Product	Fiscal 2022	As % of Sale of Product
<b>Government</b>	2,122.51	64.93%	2,346.74	75.85%	2,403.21	86.56%	-	-
<b>Private</b>	1,101.45	33.67%	747.09	24.15%	373.14	13.44%	539.82	100.00%
<b>Shop in Shop (SIS)*</b>	44.96	1.40%	-	-	-	-	-	-
<b>Revenue from Sale of Product</b>	3,268.93	100.00%	3,093.83	100.00%	2,776.36	100.00%	539.82	100.00%

Our contractual arrangements with government institutions typically stipulate a fixed price at which we are required to sell our products to such institutions, and we may not be able to pass on any increases in costs without adequate provisions for adjustments for cost escalation in our current or future contracts. Additionally, we are generally required to submit performance guarantees of 3.00% of the total order value. Furthermore, if we fail to deliver the contracted quantity on time or if our products are deemed faulty, we risk being classified as a blacklisted vendor by these institutions, which could negatively impact our revenue and future prospects. In past three Fiscals and stub period we have not faced any instances of invocation of our bank guarantee, however, there can be no assurance that such cases may not occur in the future

There may be delays in payments for products purchased from us by the government which could adversely impact our sales and revenue. Additionally, late payments or non-payments would strain our working capital needs and may lead to increased finance costs. We may also face disputes over recovering delayed payments, which could further deplete our resources. There is no assurance that the resolution of these disputes will be favourable to us, and any unfavourable outcomes could negatively affect our business and prospects. Any delays in payments could materially and adversely impact our business, financial condition, reputation, and overall prospects. Although, there have been no such instances in the past nine month ended December 31, 2024 and three Fiscals, there can be no assurance that these may not occur in the future.

Additionally, any unfavourable changes in government policies regarding the awarding of contracts or our existing relationships with government entities could negatively impact our ability to secure such orders. If any contracts awarded to us are delayed, disrupted, or cancelled, our cash flows, business operations, and overall financial condition may suffer. Adverse policy changes could also result in the restructuring or renegotiation of our agreements, which could affect our financing, capacity utilization, revenues and cash flows. Furthermore, these changes might delay our ability to participate in competitive bidding or bilateral negotiations for future contracts. While there have been no such instances in the past nine month ended December 31, 2024 and three Fiscals, there can be no assurance that these may not occur in the future.

**2. *We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires time and cost, and any adverse regulatory action may adversely affect our financial condition, cash flows and business operations.***

As a hearing aid manufacturing and trading company, our products, marketing, sales, development activities, and manufacturing processes are subject to various regulations by regulatory authorities. In India, we are required to comply with various legislations, including but not limited to; Drugs and Cosmetics Act, 1940; Drugs and Cosmetics Rules, 1945; and the Medical Devices Rules, 2017, National Medical Devices Policy, 2023; Bureau of Indian Standards Act, 2016, each as amended from time to time. Under these regulations, we must obtain the necessary approvals and clearances for marketing our new products. Compliance with these regulatory requirements is essential for our operations, and any delays or challenges in obtaining such approvals could impact our ability to introduce new products, thereby affecting our business and growth prospects. The process of obtaining regulatory approvals or clearances for new products or modifications to existing ones may take time, require substantial financial and operational resources, involve rigorous testing and increased post-market surveillance, necessitate changes or modifications to product design or specifications, and result in limitations on the indicated uses of our products. Any delays, additional compliance burdens, or regulatory challenges could impact our ability to bring new products to market, affect our operational efficiency, and have an adverse effect on our business and financial performance.

In addition, hearing aid devices that we market outside India are subject to the regulatory requirements of each respective country. Compliance with these international regulations may require additional approvals, certifications, and adherence to country-specific quality and safety standards. Any delays or difficulties in obtaining such approvals, changes in regulatory frameworks, or increased compliance costs could impact our ability to expand into or operate in certain markets, potentially affecting our business growth and financial performance.

**3. *We face risks relating to sourcing of raw materials and components for manufacturing of our hearing aids and related devices from third parties.***

We deal in a variety of hearing aids manufactured under our own brands and also undertake white labelling manufacturing for our distributors. For manufacturing these hearing aids, we rely on network of third party domestic and international suppliers for supply of materials, components and products.

Our suppliers are primarily based in India and China, UK and USA, and we procure materials on a purchase order basis. There is no assurance that these suppliers will consistently fulfil their obligations in a timely manner, or at all. Any delays, shortages, supply interruptions, fluctuations in pricing, or reductions in the availability of essential materials and components could have a material adverse effect on our business, operational performance, financial condition, cash flows, and growth prospects.

The quality of our hearing aid products is largely dependent on the quality of the materials and components we procure. Any deterioration in material quality could negatively impact our product standards, market reputation, and sales volumes. Additionally, there is no guarantee that we will always be able to maintain our current supplier network or secure an adequate supply of required materials and components.

Since the majority of our procurement is done through purchase orders rather than long-term agreements, we cannot be certain that we will always obtain materials and components that meet our specified quality standards at commercially viable terms, or that our suppliers will continue to perform as expected. If we fail to (i) receive materials of the required quality, (ii) negotiate favourable financial terms, (iii) secure an adequate and timely supply of materials, or (iv) address situations where key suppliers discontinue supply, face operational disruptions, or become insolvent due to factors beyond our control, we may struggle to find alternative sources for raw materials. Any such disruption could impact our production capabilities and adversely affect our business operations.

The table below sets forth details of our top ten (10) and top five (5) supplier concentration (based on value of purchases) in the years indicated:

Particulars	As on December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹ in lakhs)	(% of Purchases)	(₹ in lakhs)	(% of Purchases)	(₹ in lakhs)	(% of Purchases)	(₹ in lakhs)	(% of Purchases)
Top 5 suppliers	1,285.49	78.12%	1,992.90	83.30%	1,799.31	83.78%	244.19	89.44%
Top 10 suppliers	1,397.16	84.91%	2,250.85	94.08%	2,106.56	98.08%	268.50	98.34%

Our third-party suppliers also include overseas suppliers, particularly in China, UK and the USA, and our procurement from these suppliers may be impacted by external factors such as currency fluctuations, unfavourable economic conditions, geopolitical developments, tariffs, force majeure events, and other economic or political uncertainties. These factors could lead to increases in the costs of raw materials and components, thereby raising our operating expenses, reducing profit margins, and in some cases, causing procurement delays. Additionally, any restrictions imposed by government authorities on our imported materials, whether from bilateral or multilateral organizations, or any increase in export duties on materials and components by China, or disruptions in the supply chain from China, could further escalate our material costs, adversely affecting our financial performance, operational efficiency, and cash flows. If we are unable to continue procuring these materials from our current suppliers or encounter restrictions in doing so, there is no assurance that we will be able to source alternative suppliers on favourable terms, within a reasonable timeframe, or at all. Any such disruption could negatively impact our business operations, financial results, and future growth prospects.

The table below sets forth the bifurcation of purchases of raw material between domestic and imported for the periods indicated:

Particulars	As on December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of Purchases	Amount (₹ in lakhs)	% of Purchases	Amount (₹ in lakhs)	% of Purchases	Amount (₹ in lakhs)	% of Purchases
Imported	1,081.82	65.75%	1,628.62	68.07%	1,058.45	49.28%	98.62	36.12%
Domestic	563.63	34.25%	763.92	31.93%	1,089.32	50.72%	174.41	63.88%
<b>Total</b>	<b>1,645.45</b>	<b>100.00%</b>	<b>2,392.54</b>	<b>100.00%</b>	<b>2,147.77</b>	<b>100.00%</b>	<b>273.03</b>	<b>100.00%</b>

4. ***Our Manufacturing Facility is located in Noida, Uttar Pradesh. Any disruption, breakdown or shutdown of our Manufacturing may have a material adverse effect on our business, financial condition, results of operations and cash flow.***

Our Manufacturing is located in Noida, Uttar Pradesh. We are dependent on our Manufacturing Facility for the production of our products. The events impacting state of Uttar Pradesh, particularly Noida district may disrupt our production and operations. Further, our Manufacturing Facility is subject to operating risks, such as the breakdown or failure of equipment, disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, accidents, infectious diseases (such as COVID-19 pandemic), political instability, the need to comply with the directives of relevant government authorities and the requirement to obtain certain material approvals to operate our Manufacturing Facility. Historically, we have not experienced any disruption, breakdown or shutdown of our Manufacturing Facility due to disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, accidents and political instability. Our customers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations.

5. ***Loss of any of our key customers or reduction in demand from our customers may materially and adversely affect our business and financial performance.***

Our key customers majorly include (i) Government controlled entities; (ii) Retailers and Distributors and (iii) independent ENT doctors. Our top 10 customers accounted for 93.18%, 89.02%, 95.86% and 93.74% of our

revenue from operations in nine months period ended December 31, 2024, Fiscals 2024, Fiscal 2023 and Fiscal 2022 respectively.

Since a significant portion of our sales is dependent on certain key customers, the loss of one or more of these customers or a reduction in demand from them, due to factors such as loss of contracts, delays in fulfilling existing orders, inability to negotiate or agree upon acceptable terms, disputes, loss of market share, or a downturn in their healthcare spending, could adversely affect our business, financial condition, and results of operations, especially if we are unable to replace such customers. Although, there have been no such instances in the past nine month ended December 31, 2024 and three Fiscals, there can be no assurance that these may not occur in the future.

Our revenues and profitability may also be negatively impacted if there is a reduction in the volume of business with these customers, or if they choose to source products from our competitors instead. We may not always remain their preferred provider of hearing aids and related solutions. For instance, any change in diagnostic procedure as laid down by WHO and RCI may lead to loss of business and a decline in our anticipated sales, which could materially and adversely impact our financial performance. Further, our future growth is closely linked to our ability to acquire new customers. If we fail to expand our customer base, our business, financial condition, and results of operations may be adversely affected.

**6. *Quality problems and product liability claims could lead to recalls or safety alerts, reputational harm, and could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our products may contain certain quality issues or undetected errors, due to defects in products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of internal and international quality standards. To ensure that we supply quality products which meet the applicable standards, we have set up a research and development facility which consists of our quality assurance and quality control teams who check and conduct various tests in our 'in-house laboratory' on the materials/components and our products at various stages starting from receiving of materials/components to the finished products manufactured by us. However, we cannot assure you that our quality control processes or our product will pass the quality tests and inspections conducted by various international and domestic agencies as per their prescribed standards will not fail. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same could cause them to reject our products and can also cause damage to our reputation, market standing and brand value.

Quality is important to us and our customers due to the impact on patients, and the serious and potentially costly consequences of product failure. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, marketing and use of our products. The performance, quality and safety of our products also depends on the effectiveness of our quality control systems, which in turn depends on a number of factors, including quality check through Hearing Aid Analyzer. We currently operate with a single Hearing Aid Analyzer, which restricts quality checks with limited capacity. Without the ability to test every device, there is an increased likelihood of defective products reaching the market, leading to higher return rates, warranty claims, and potential customer dissatisfaction. Inconsistent product quality could weaken customer trust, negatively impacting sales and long-term brand perception.

From a regulatory standpoint, hearing aids are classified as medical devices and must meet stringent industry standards. Limited quality checks could expose us to compliance risks, potential fines, and even product recalls if defective devices fail to meet required specifications. Furthermore, dependence on a single Hearing Aid Analyzer creates a bottleneck in the quality control process, potentially delaying production and order fulfilment. If the existing Hearing Aid Analyzer malfunctions or requires maintenance, our ability to conduct any testing would be completely halted, further affecting operations and sales. This inefficiency could lead to missed revenue opportunities, especially during periods of high market demand. Beyond operational and regulatory risks, the customer experience and brand reputation could also suffer. Customers expect reliable, well-calibrated hearing aids, and any defects may result in dissatisfaction, negative reviews, and increased customer support costs. A single defective batch could harm our credibility, making it difficult to maintain customer loyalty and attract new buyers.

In addition, we provide product specification related warranties to our customers. We are exposed to product liability claims in the ordinary course of business. A product liability claim could require us to pay substantial damages. Product liability claims against us, whether or not successful, are costly and time-consuming to defend. Additionally, poor quality control could expose us to legal liabilities if customers experience issues due to malfunctioning products.

To address these risks, we intend to procure an additional Hearing Aid Analyzer. This procurement will expand testing capacity, enabling the company to conduct quality checks on all hearing aids produced, thereby improving product reliability and ensuring compliance with regulatory standards. Increasing testing capacity will also enhance operational efficiency by reducing bottlenecks and preventing production delays. More importantly, it will reinforce customer confidence, protect our brand reputation, and safeguard financial stability by minimizing defects, returns, and potential liabilities. By proactively addressing this limitation, we aim to uphold our commitment to delivering high-quality hearing aids while supporting long-term business growth.

**7. *We are dependent on the success of our remote audiometry system Earkart OMNI and our research and development activities and the failure to develop new or improved products or process improvements or production techniques could adversely affect our business, financial condition, cash flows and results of operations and have a negative impact on our competitive position.***

Earkart OMNI, our advanced remote audiometry solution, is a pivotal innovation aimed at enhancing accessibility to audiological services. By enabling remote hearing assessments, OMNI has the potential to bridge the gap in audiological care, particularly for individuals in underserved and remote locations. However, its widespread adoption is contingent upon several factors, including the willingness of audiologists and consumers to trust and utilize remote diagnostic tools. Despite the convenience and accessibility, it offers, some healthcare professionals and patients may remain sceptical about the accuracy and reliability of remote audiometry compared to traditional in-person assessments. Overcoming this barrier requires continuous validation of diagnostic accuracy, clear communication of benefits, and engagement with the audiology community to drive acceptance.

From a technological standpoint, the effectiveness of Earkart OMNI is dependent on stable internet connectivity and digital literacy among users. In rural and remote areas where internet infrastructure is weak, the device may face operational challenges, leading to incomplete or inaccurate assessments. Additionally, customers with limited digital proficiency may struggle to navigate the system, reducing its usability and adoption rate. To mitigate this, we must invest in user-friendly interfaces, multilingual support, and customer education initiatives to ensure accessibility for a broader demographic.

Moreover, technical failures or calibration issues could impact Earkart OMNI's diagnostic accuracy, leading to misdiagnosis or inaccurate hearing aid recommendations. Any instances of inconsistent performance could diminish trust in the product and affect long-term adoption. Regular quality assurance, software updates, and customer support services will be essential to maintaining reliability and addressing technical concerns promptly.

Furthermore, our success depends on our ability to improve our existing products, develop commercially viable and sustainable new products and to develop process improvements. The hearing aid technology industry is characterized by frequent advancements in technology and the rapid and frequent advancements in technology and changes in market demand can often render existing technologies and equipment obsolete and could require substantial new capital expenditures.

Company has incurred Research & Development Expenditure on hearing aid in Fiscals 2024 amounting to ₹16.56 lakhs representing 0.53% of our total revenue from operations. We cannot assure you that the investments we have made in research and development will yield satisfactory results or will yield any results at all. Despite our investments in this area, our research and development efforts may not result in the discovery or successful development of new products.

**8. *If we cannot protect our intellectual property our ability to sell current or future products may be negatively impacted.***

Our intellectual property rights are, and will continue to be, a critical component of our success. As on date, we have registered the word mark ‘Earkart’ and have applied for registration of our wordmark ‘Earkart Omni’ Radius BTE, “Fame” and “Tiny”. We have also filed a patent application our remote audiometry solution which is currently pending patent approval. While trademark and the patent application strengthens the company’s intellectual property, delays or rejections in the patent process or trademark could impact market exclusivity, competitive positioning, and potential licensing opportunities. In the absence of patent protection, competitors may attempt to replicate key features, potentially reducing our first-mover advantage in the tele-audiology market. Additionally, any legal disputes over patent claims could lead to costly litigation and operational setbacks.

While we intend to defend against any threats to our intellectual property, we cannot assure you that we will be in a position to adequately protect our intellectual property. Further, our patent or trademark applications may fail to result in patents being issued in a timely manner or at all, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that patents and trademarks issued to or licensed by us in the future will not be challenged or circumvented by competitors or that such patents or trademarks will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. Patent prosecution, related proceedings, and litigation may be expensive, time consuming and unsuccessful. Our competitors may also independently develop proprietary technologies and processes that are the same as or substantially equivalent to ours or design around our patents. Our competition may also hold or obtain intellectual property rights that would threaten our ability to develop or commercialize our product offerings.

Even if we are successful in obtaining effective patents and trademarks, it is expensive to maintain these rights and the costs of defending our rights could be substantial. Additionally, we may be required to increase our investment in protecting our intellectual property through additional patent, trademark and other intellectual property filings, which could be expensive and time-consuming. The expiration of patents on which we rely for protection of Earkart OMNI could diminish our competitive advantage and adversely affect our business and our prospects. We cannot assure you that our products and technologies will not infringe on the rights of others. If a third party successfully asserts a claim for infringement against us, we may be liable for substantial damages, be unable to sell products using that technology, or have to seek a license or redesign the related product. These alternatives may be uneconomical or unviable. Intellectual property litigation could be costly, result in product development delays and divert the efforts and attention of management from our business.

**9. *We have had negative cash flows in the past and it is possible that we may experience negative cash flows in the future.***

The following table sets forth certain information relating to our cash flows on a basis for the periods indicated.

(₹ in lakhs)				
Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash (Used in)/Generated from Operating Activities	(73.80)	(99.73)	(29.64)	(282.88)
Cash (Used in)/Generated from Investing Activities	(28.22)	(128.79)	39.88	(177.97)
Cash (Used in)/Generated from Financing Activities	(30.32)	308.19	40.70	468.12

**Cash (Used in)/Generated from Operating Activities**

For the period ended December 31, 2024, Cash flow from operation was negative to the extent of ₹73.80 lakhs, primarily on account of increase in net working capital change by ₹634.58 lakhs and payment of taxes amounting to ₹215.50 lakhs.

For fiscal 2024, Cash flow from operation was negative to the extent of ₹99.73 lakhs, primarily on account of increase in net working capital change by ₹454.62 lakhs and payment of taxes amounting to ₹20.52 lakhs.



For fiscal 2023, Cash flow from operation was negative to the extent of ₹29.64 lakhs, primarily on account of increase in net working capital change by ₹195.14 lakhs and payment of taxes amounting to ₹1.77 lakhs.

For fiscal 2022, Cash flow from operation was negative to the extent of ₹282.88 lakhs, primarily on account of increase in net working capital change by ₹296.73 lakhs and payment of taxes amounting to ₹2.35 lakhs.

#### **Cash (Used in)/Generated from Investing Activities**

For the period ended December 31, 2024, Cash flow from investing was negative to the extent of ₹28.22 lakhs, primarily on account purchase of fixed assets amounting to ₹36.80 lakhs.

For fiscal 2024, Cash flow from investing was negative to the extent of ₹128.79 lakhs, primarily on account purchase of fixed assets amounting to ₹99.11 lakhs.

For fiscal 2022, Cash flow from investing was negative to the extent of ₹177.97 lakhs, primarily on account purchase of fixed assets and investment collectively amounting to ₹174.38 lakhs.

#### **Cash (Used in)/Generated from Financing Activities**

For the period ended December 31, 2024, Cash flow from financing was negative to the extent of ₹30.32 lakhs, primarily on account interest payment amounting to ₹30.32 lakhs.

Negative cash flows over extended periods, or negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows” on page 232.

#### **10. *The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.***

The Restated Financial Information of our Company as disclosed in section titled “Restated Financial statements” beginning on Page no. 191 of this Draft Prospectus for the period ended December 31, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are provided by peer reviewed chartered accountants namely M/s Singhi Chugh & Kumar, Chartered Accountants having FRN number 013613N and peer review certificate number 018001, who is not the Statutory Auditor of our Company.

Peer-reviewed accountants may not have the same level of access and understanding of your company’s operations and internal controls as the statutory auditors. This limited access could result in an incomplete review and potentially miss important risks or errors. There is a risk that material misstatements or errors in the financial statements may not be detected or adequately addressed by peer-reviewed accountants.

#### **11. *We derive majority of our revenue from the sale of products in certain geographical region and any changes affecting the policies, laws and regulations or the political and economic environment in the region may adversely impact our business, financial condition and results of operations.***

We commenced our business operations primarily in Uttar Pradesh and have expanded to multiple states, including Punjab, Uttarakhand, West Bengal, Maharashtra, Gujarat, Kerala, Haryana and the National Capital Territory of Delhi, among others. While this expansion has broadened our market presence, a substantial portion of our revenue continues to be derived from Uttar Pradesh and the National Capital Territory of Delhi. Our financial dependence on these two regions presents concentration risks, making our business vulnerable to regional economic fluctuations, regulatory changes, and localized disruptions.

(₹ in lakh, unless stated otherwise)

Particulars	As at December 2024	As % of Revenue from Sale of Product	Fiscal 2024	As % of Revenue from Sale of Product	Fiscal 2023	As % of Revenue from Sale of Product	Fiscal 2022	As % of Revenue from Sale of Product
Uttar Pradesh	2,551.89	78.07%	2,497.87	80.74%	2,450.33	88.26%	97.65	18.09%
Delhi	425.01	13.00%	304.31	9.84%	319.44	11.51%	433.21	80.25%

A significant portion of our hearing aid manufacturing and distribution operations is concentrated in the Indian state of Uttar Pradesh and the National Capital Territory of Delhi, which exposes us to several geographic and regional risks. This concentration may make our business particularly vulnerable to changes in state-specific policies, laws, and regulations, as well as political and economic fluctuations that could directly impact our manufacturing, distribution, and sales processes. Any unfavourable policy shifts, regulatory changes, or taxation modifications within these regions could increase compliance costs, affect supply chain logistics, or limit market access, ultimately impacting our profitability.

Additionally, any interruption to our operations directly or indirectly as a result of any weather or other natural disasters could materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail or terrorist attacks, etc. In such instance, we may have to completely halt our operations which may severely impact our business operations. Any such disruption for any reason could result in increase of costs and delays in execution of orders.

Economic conditions and healthcare infrastructure in Uttar Pradesh and Delhi also play a crucial role in sustaining demand for hearing aids and audiology solutions. Any regional slowdown in healthcare spending, economic downturns, or disruptions in medical device distribution networks could negatively affect sales. Limited availability of audiologists, reduced government support for hearing aid accessibility programs, or a slowdown in consumer demand in these key markets could adversely impact revenue and market share.

While we continue to explore geographic expansion into other states to mitigate concentration risk, there is no assurance that our diversification efforts will be successful. Expanding into new markets requires navigating different regulatory frameworks, establishing new distribution networks, and increasing capital investment, all of which could present operational and financial challenges. If we are unable to successfully mitigate geographic concentration risks and expand our reach beyond Uttar Pradesh and Delhi, our business operations, financial condition, and long-term growth prospects could be adversely affected.

**12. *We have a limited operating history in manufacturing hearing aids which may make it difficult for investors to evaluate our business and prospects.***

We have a limited operating history in manufacturing. Established in year 2021, we only have over three years of operating experience. While we have the necessary experience, our business and prospects must be evaluated in light of the risks and challenges associated with being a new entrant in manufacturing hearing aids and audiometry products. These include our ability to advance our technologies, develop and manufacture reliable products, deliver and service a large volume of orders, improve operational efficiency, adapt to customer demands and feedback, respond to technological advancements and changes in the competitive landscape, and manage growth effectively. Failing to address any of these risks and challenges could materially and adversely impact our business.

**13. *Government contract are typically awarded to us on satisfaction of prescribed qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new contracts are not awarded to us or if contracts awarded to us are prematurely terminated.***

Government Contracts are typically awarded to us upon satisfaction of prescribed technical and financial qualification criteria following a competitive bidding process. While the track record, service quality, technical expertise, reputation and sufficiency of financial resources are important considerations in awarding contracts, there can be no assurance that we would be able to meet such technical and financial qualification criteria. Further, once prospective bidders satisfy the prequalification requirements of the tender, the contract is usually awarded on the basis of price competitiveness of the bid.

While we strive to increase our portfolio of government contracts, we majorly face competition from large players, which are well placed to fulfil the pre-qualification criteria. There may have been instances in the past, wherein bids made by us for government contracts were not accepted on account of a favourable position held by our competitors. There can be no assurance that we would be able to meet such criteria in the future. If we are not successful in qualifying to bid for majority of future contracts, it may adversely affect our revenue.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the contract for which we bid will be tendered within a reasonable time, or at all. In the event that new project which have been announced and which we plan to bid for are not put up for tender within the announced time frame, or qualification criteria are modified such that we are unable to qualify which may result in materially and adversely affecting our business, prospects, financial condition, cash flows and results of operations.

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

As of December 31, 2024, we have entered into a related party transaction, which are in compliance with the Companies Act, 2013 and other applicable laws. In addition, we have also entered into transactions with other related parties in the past. We confirm that the transactions with Related Parties entered into by our Company have been carried out at arms' length price and are not prejudicial to the interest of our Company.

While that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

The Companies Act, 2013 has brought into effect changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. All of our related party transactions of our Company shall be conducted in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable law as applicable. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

A summary of the related party transactions in the period ended December 31, 2024 and in the Fiscals 2024, 2023 and 2022 derived from our Restated Financial Statements, is detailed below:

(₹ in Lakhs)

Nature of Transactions	Name of Related Parties	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Remuneration to Directors	Priyadarshi Jha	N/A**	14.57	16.92	15.00
	Rohit Misra	59.22	78.96	78.96	42.00
	Ajay Kumar Giri	10.93	14.10	14.10	1.43
	Monika Misra	33.84	45.12	N/A*	N/A*
	Rahul Salesha	25.70	33.16	N/A*	N/A*
	Shailendra Yadav	N/A**	Nil	Nil	Nil
<b>Total (1)</b>		<b>129.69</b>	<b>185.91</b>	<b>109.98</b>	<b>58.43</b>
Purchase of goods	Oishi Care	-	-	3.33	0.30
<b>Total (2)</b>		<b>-</b>	<b>-</b>	<b>3.33</b>	<b>0.30</b>
Loans Received From	Shailendra Yadav	-	-	-	25.00
	Priyadarshi Jha	-	-	-	26.00
<b>Total (3)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>51.00</b>
Loans Paid To	Priyadarshi Jha	-	-	-	26.00
	Shailendra Yadav	-	-	25.00	-
<b>Total (4)</b>		<b>-</b>	<b>-</b>	<b>25.00</b>	<b>26.00</b>

Nature of Transactions	Name of Related Parties	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sale of Goods & Services	Oishi Care	-	22.09	25.43	10.23
<b>Total (5)</b>		<b>-</b>	<b>22.09</b>	<b>25.43</b>	<b>10.23</b>
Reimbursement of Expenses	Priyadarshi Jha	N/A**	0.05	4.99	19.70
	Shailendra Yadav	N/A**	-	-	-
	Rohit Misra	11.91	73.99	82.32	.
	Ajay Kumar Giri	1.82	0.00	0.47	.
	Monika Misra	5.31	6.89	0.14	N/A*
	Rahul Salesha	5.63	4.12	0.02	N/A*
<b>Total (6)</b>		<b>24.67</b>	<b>85.00</b>	<b>87.95</b>	<b>25.52</b>
<b>Total (1+2+3+4+5+6)</b>		<b>154.36</b>	<b>208.00</b>	<b>138.74</b>	<b>94.95</b>

\***Date of Joining:** : Monika Misra and Rahul Salesha joined the organization on March 24, 2023.

\*\***Date of Resignation/Leaving (w.e.f.):** : Priyadarshi Jha: November 30, 2023

Shailendra Yadav: July 10, 2024

For further details, see "Summary of Offer Document - Summary of Related Party Transactions" and "Restated Financial Statements" on page 20 and 191.

**15. *The Promoter Group does not include one of the relative of Promoter or any entity in which such relative may have interest.***

Our Company had filed an exemption application dated January 02, 2025 with SEBI (the "Exemption Application"), seeking relaxation under Regulation 300(1)(c) of the SEBI ICDR Regulations from the strict enforcement of applicable provisions under the SEBI ICDR Regulations for identifying and disclosing Rahul Misra (Brother of our Promoter, Rohit Misra) as part of our Company's "promoter group", as defined under the SEBI ICDR Regulations on grounds of disassociation with the Promoter family. By its letter dated March 21, 2025 (the "Exemption Response"), SEBI has conveyed its decision to not grant our Company the exemptions sought in the Exemption Application, further directing our Company, among other actions, to classify and disclose the Rahul Misra as part of its Promoter Group in accordance with applicable requirements under the SEBI ICDR Regulations and include applicable disclosures about Rahul Misra and his connected entities in this DRHP and Prospectus on the basis of information available regarding Rahul Misra and his connected entities in the public domain. Accordingly, we have disclosed information and confirmations in this Draft Prospectus in relation to the Rahul Misra and his connected entities as member of the Promoter Group of the Company, only to the extent available and accessible to the Company from the publicly available information published on: (i) the Ministry of Corporate Affairs' website (accessible at <https://www.mca.gov.in/content/mca/global/en/home.html>); (ii) the "Credit Information Bureau (India) Limited" website (accessible at <http://www.cibil.com/>); (iii) the BSE's website (accessible at <https://www.bseindia.com/investors/debent.aspx>); (iv) the NSE's website (accessible at <https://www.nseindia.com/regulations/member-sebi-debarred-entities>); (v) the "Watchout Investors" website (accessible at <https://www.watchoutinvestors.com/>) and (vi) the SEBI's website (accessible at <https://www.sebi.gov.in/index.html>). Further, as also directed by the SEBI in its Exemption Response, the Exemption Application and the SEBI Letter have been designated as material documents for inspection in connection with the Offer. See "Material Contracts and documents for Inspection" on page 321. Accordingly, the disclosures in this Draft Prospectus, have been included based on the websites of certain government authorities and other public databases, in order to comply with the requirements of the SEBI ICDR Regulations. The disclosures and confirmations pertaining to Rahul Misra (as a member of the Promoter Group of our Company) included in this Draft Prospectus may be limited in the context of requirements of the SEBI ICDR Regulations and investors are advised to exercise caution when relying on such information.

**16. *The loss of accreditation for our Manufacturing and operations and our empanelment with government institutions could damage our reputation, business, results of operations and cash flows***

Our quality certifications and accreditations are essential for securing sales to our customers. We are accredited, and hold multiple certifications, including ISO 9001:2015 and ISO 13485:2016. We are in hold of Certificate of

Recognition, DIPP and Indian Standards IS 16127:2013 for Behind the Ear (BTE) hearing Aids - Digital from Bureau of Indian Standards. For more details, see “Government and Other Statutory Approvals” on page 254.

If we fail to meet accreditation criteria or if certifying agencies determine that we are not in compliance with required standards, our accreditations may be revoked or we may be denied certification. To maintain our accreditations, we must consistently uphold the quality of our products and manufacturing processes. The loss of any of our accreditations or certifications could adversely affect our reputation and business prospects.

**17. *The Company could be exposed to risks relating to the handling of personal information, including medical data.***

The Company could be exposed to risks associated with the handling of personal information of patients. As a healthcare provider, we collect, store, and process sensitive personal data, which includes detailed medical histories, genetic information, and treatment records. Although, we have not experienced any breach of data in the past, however, any breach of this data in future, whether through cyberattacks, system failures, or unauthorized access, could lead to severe legal and financial repercussions, including hefty fines and litigation costs.

Additionally, patients may be hesitant to share their personal information if they are lack of security, which could impact our ability to attract and retain customers. As technology evolves, so do the methods used by malicious entities to exploit vulnerabilities in our data handling processes. Thus, continuous investment in data security measures and employee training is essential, yet these costs could strain our financial resources.

**18. *We operate in a highly competitive industry with rapid technological changes and we may be unable to compete effectively.***

The hearing aid industry is highly competitive and constantly evolving due to technological advancements and scientific discoveries. Competition in this industry is multifaceted, varying across different markets, geographical regions, and product categories. We face substantial competition from large multinational corporations, established hearing aid manufacturers, and emerging local players in various regions. The industry is characterized by rapid innovation, and new or improved products, processes, or technologies developed by competitors may be more effective, cost-efficient, or technologically advanced than our current or planned offerings. Additionally, the introduction of reprocessed hearing aids, or advancements in hearing aid technology may render our products less competitive or even obsolete, which could have a negative impact on our market share, financial condition, and long-term business sustainability.

Our ability to compete effectively in the hearing aid market depends on several factors, some of which are within our control while others are influenced by external market dynamics. Key competitive factors include product innovation, performance, and reliability, as well as cost-effectiveness, quality, and regulatory compliance. Additionally, our success is dependent on the efficiency of our supply chain, our sales network, customer support services, and our ability to adapt to evolving market needs. The experience of senior management, brand reputation, and our ability to navigate changes in the regulatory environment also play a critical role in maintaining a competitive edge.

As the hearing aid market continues to expand, intensified competition may lead to product price erosion, especially as new entrants introduce lower-cost alternatives or modify existing products to compete directly with established players. Moreover, private research organizations and government funded organisations are actively engaged in developing and patenting new hearing aid technologies. These entities not only compete with us in terms of product innovation but also in recruiting and retaining skilled scientific and management personnel. Increased competition in hiring talent and acquiring advanced product technologies could further challenge our ability to sustain innovation and product differentiation.

Additionally, regulatory pressures and healthcare reforms globally may impact pricing, product reimbursement, and overall market access. Governments, healthcare regulators, and third-party payers are increasingly focused on controlling healthcare costs, which may result in pricing limitations, stricter reimbursement policies, and lower adoption rates for hearing aids. This trend could affect our revenue potential, restrict market expansion, and slow down product adoption in certain regions.

**19. *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, any failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which are required to be renewed at regular interval. Further, our Company has also made a few applications for change of name in a few licenses and approvals pursuant to change in the name of the Company from Earkart Private Limited to Earkart Limited. Any failure to renew the approvals that may expire, or to apply for the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We have obtained all the material licenses required for running our business and operations. For more details relating to licenses and approvals relating to our business, see “Government and Other Statutory Approvals” on page 254

While, we have not had any material instances of failure to obtain, maintain or renew approvals, licenses, and registrations required to conduct our businesses in the past three Fiscals, we cannot assure you that approvals, licenses and registrations will be successfully granted or renewed in a timely manner or at all in the future. We also cannot assure you that our approvals and consents will not be suspended or revoked in the future.

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 relevant permits, licenses or approvals which may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. For more details relating to licenses and approvals relating to our business, see “Government and Other Statutory Approvals” on page 254

**20. *We are exposed to credit risk from our customers and the recoverability of our trade receivables is subject to uncertainties.***

We generally extend a credit period to our customers, which exposes us to credit risk. The table below outlines specific details regarding our trade receivables and trade receivable turnover days for the indicated year/period:

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Trade Receivables (₹ Lakhs)	2,357.44	633.95	469.88	161.75
Trade Receivable Turnover Days (Number of days)	194	73	59	104

A customer’s ability to make timely payments depends on various factors, including general economic conditions and their cash flow situation, which are beyond our control. Delays in receiving payments from customers could negatively impact our cash flow and hinder our ability to meet working capital requirements. There is no guarantee that our customers will pay us promptly or at all, which may affect the recoverability of our trade receivables. Additionally, we may struggle to manage any bad debt resulting from delayed payments.

**21. *Our ability to market our products successfully depends, in part, upon the acceptance of the products not only by customers, but also by independent third parties.***

Our ability to successfully market and sell our hearing aid products depends on their acceptance by independent third parties, including distributors, government representatives, retailers, ENT practitioners, and patients. The widespread adoption of our products is largely influenced by the strength of our brand, reputation, and trust among healthcare professionals and end-users. If our hearing aids fail to gain or maintain substantial market acceptance, our ability to generate sustainable revenue and profitability may be adversely affected.

While regulatory approval is a critical milestone, it does not guarantee commercial success. Even if our products meet all regulatory standards, their success in the market is contingent upon positive endorsements from ENT specialists, audiologists, and other healthcare providers, who play a key role in recommending hearing aids to

patients. If these professionals do not perceive our products as superior or equivalent to competing brands, they may be less inclined to recommend them, negatively impacting sales and market penetration. Similarly, if patients do not find our hearing aids to be effective, comfortable, or cost-efficient, adoption rates may remain low, limiting our ability to scale operations.

Additionally, unanticipated side effects, product malfunctions, or unfavourable publicity concerning any of our hearing aid models could damage our reputation and hinder market acceptance. Any instance of negative media coverage, customer complaints, or regulatory warnings could lead to a decline in consumer confidence, increased product returns, and reduced demand. In an industry where word-of-mouth recommendations and professional endorsements are highly influential, negative perceptions could impair our brand value and long-term growth prospects.

**22. *We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of December 31, 2024, contingent liabilities disclosed in the notes to our audited and restated financial statements aggregated ₹7.66 lakhs. The following table sets forth our contingent liabilities as of December 31, 2024 as per the Restated Financial Information:

(₹ In Lakhs)

Particulars	As at December 30, 2024
Outstanding Bank Guarantees	7.66

If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For further details of contingent liability, see the section titled — “Restated *Financial Information*” on page 191 of this Draft Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**23. *Pricing pressure from distributors, retailers and customers may affect our gross margin, profitability and ability to increase our prices, which in turn may adversely affect our business, results of operations, cash flows and financial condition.***

Our gross margins, profitability, and overall financial performance are influenced by the pricing dynamics within the hearing aid industry. Pricing pressure from distributors, retailers, and customers may limit our ability to increase product prices, directly impacting our revenue growth and margins. Given the competitive nature of the industry, distributors and retailers often demand higher discounts, extended credit periods, and better pricing terms, which may erode our profit margins and reduce overall profitability.

Additionally, customers are becoming increasingly price-sensitive, especially as lower-cost alternatives, refurbished hearing aids, and generic hearing solutions enter the market. The availability of competitive products with aggressive pricing strategies by multinational corporations and local manufacturers further intensifies this pressure. If we are unable to justify premium pricing through differentiated product offerings, advanced technology, or superior service, we may be forced to lower our prices to remain competitive, which could negatively affect our financial condition.

Moreover, bulk purchasing agreements or contractual obligations with Government entities, large distributors and retailers may restrict our ability to pass on cost increases related to raw materials, regulatory compliance, research and development, and operational expenses to our customers. Any increase in production costs that cannot be offset by price adjustments may lead to compressed margins and weakened financial stability. If we fail to effectively manage pricing pressures, it could impact our cash flows, operational sustainability, and ability to reinvest in business expansion, innovation, and marketing strategies.

**24. *In the past, there have been instances of delayed filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC.***

In the past, there have been instances of delayed filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act, 2013. The details of the same are mentioned below:

Year	Forms	Due date of filing	Actual date of filing	No. of days delay	Current Status
2024-2025	PAS-3	October 29, 2024	November 22, 2024	24	Approved
	SH-7	October 29, 2024	November 14, 2024	16	Approved
	MGT-14	October 29, 2024	October 29, 2024	16	Approved
	PAS-3	October 29, 2024	November 01, 2024	3	Approved
	AOC-5	January 10, 2025	January 15, 2025	5	Approved
2023-2024	PAS-3	December 02, 2023	February 06, 2024	62	Approved

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**25. *Export destination countries may impose varying duties on our products. Any increase in such duties may adversely affect our business and results of operations.***

We also export certain of our product offering to countries such as Nigeria, Russia, China and Nepal. Although our export revenue currently represents a small fraction of our total revenue, the challenges associated with international trade could pose financial and operational risks to our business. Such destination countries may impose varying duties, tariffs and other levies on our products, which may adversely affect our ability to compete with the local manufacturers and other competitors, who are able to coordinate delivery and supplies from strategically located manufacturing facility in a more cost competitive manner. There can be no assurance that the duties, tariffs or other levies imposed on our products by such destination countries will not change or increase, or that such change or increase will not adversely affect our business and results of operations.

**26. *Our Company, its Directors, its Promoters and its KMPs and SMPs may become parties to certain litigation and claims in the course of our business operations.***

As on the date of this Draft Prospectus, except for one tax proceeding involving a Senior Managerial Personnel, there are no litigation proceedings involving our Company, its Directors, its KMPs or its Promoters. However, there can be no assurance that our Company, its Directors, Promoters, KMPs or SMPs will not become involved in any litigation or other legal proceedings in the future in the ordinary course of business. If any such litigation or proceedings arise, we may be required to expend managerial time and financial resources in connection with such matters. An adverse outcome in such proceedings, or if the current provisions made by us prove to be inadequate, could materially and adversely impact our business, reputation, financial condition, and results of operations. Even in cases where we are successful, the costs incurred in defending such proceedings may be significant. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" on page 250 of this Draft Prospectus.

A summary of outstanding litigation proceedings involving our Company, its Promoter, Directors and KMPs and SPMs as on the date of this Draft Prospectus is provided below:

Nature of Cases		(in ₹ in lakhs)	
<i>Litigation involving our Company</i>		Number of outstanding cases	Amount Involved*
Criminal proceedings against our Company		Nil	Nil
Criminal proceedings by our Company		Nil	Nil
Material civil litigation against our Company		Nil	Nil
Material civil litigation by our Company		Nil	Nil
Actions by statutory or regulatory Authorities		Nil	Nil



<b>Nature of Cases</b>	<b>Number of outstanding cases</b>	<b>Amount Involved*</b>
<b><i>Litigation involving our Company</i></b>		
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our Directors (other than Promoter)</i></b>		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Director	Nil	Nil
Material civil litigation by our Director	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our Promoters</i></b>		
Criminal proceedings against our Promoters	Nil	Nil
Criminal proceedings by our Promoters	Nil	Nil
Material civil litigation against our Promoters	Nil	Nil
Material civil litigation by our Promoters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our KMPs and SMPs (other than Promoters)</i></b>		
Criminal proceedings against our KMPs and SMPs	Nil	Nil
Criminal proceedings by our KMPs and SMPs	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.58

**27. *Failure to maintain the confidentiality of our technical knowledge could undermine our competitive advantage.***

Our employees possess insights into our commercial decisions and business development strategies, which represent asset that may not be sufficiently protected by employment agreements. Consequently, we cannot guarantee that this knowledge will remain confidential over time.

Despite taking reasonable precautions, both contractual and otherwise, there is still a risk that proprietary information could be leaked, either inadvertently or intentionally. Many employees have access to sensitive design and production information, and we cannot assure that this information will remain protected. Additionally, some employees may leave to join competitors, and while we will attempt to enforce confidentiality obligations outlined in our staff rules, we cannot ensure their successful enforcement.

Although, we have not experienced any leaks in the past three Fiscals, any future exposure of our confidential technical information could harm our competitive position. If competitors are able to replicate or exploit our technology, it could be difficult and costly for us to seek legal protection. Therefore, any leakage of confidential information could adversely affect our business, operational results, financial condition, and future prospects.

To mitigate these risks, we have implemented various measures to protect the technical confidential information of both our Company and our customers, including restricting access to our computer systems. However, there remains a possibility that proprietary knowledge could be leaked at various stages of the manufacturing process. While, in the past three Fiscals, any instance of leaking of confidential technical information has not surfaced, any future leaks could impact our business, results of operations, cash flows, and overall prospects.

**28. *Exchange rate fluctuations may adversely affect our business, results of operations and cash flows.***

We are exposed to foreign exchange related risks as a portion of our revenue from operations are in foreign currency, including the US Dollar. Similarly, a portion of our expenses, particularly cost of imported material and equipment used by us are denominated in currencies other than Indian Rupees. Since, imports of our company is from China and UK the volatility in the exchange rate between the Indian Rupee and the Chinese Yuan in recent years poses a potential risk, and future fluctuations may occur. Consequently, variations in the exchange rate could impact our revenues, other income, operating costs, and net income, thereby adversely affecting our

business, operating results, and financial condition. We do not enter into foreign currency hedging transactions from time to time, hence there is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

**29. *We rely on our information technology systems for the operation of our business and to protect our patients' personal information, and any disruption to our systems, or failure to protect such confidential information, could adversely affect our business and reputation and result in litigation.***

We maintain patient information electronically and our business will be impacted if there are failures in our IT systems. Further, we may face the risk of losing or corrupting customer data due to the factors beyond our control. Corruption of certain information/ data could also lead to delayed or inaccurate diagnoses in the treatment of patients or actual treatment provided to patients using technology-oriented equipment could result in damage to the health of our patients. We may be subject to cyberattacks and other cybersecurity risks and threats, including computer break-ins. We may be subject to liability as a result of any theft or misuse of personal information stored on our systems including medical data. Our servers are vulnerable to computer viruses, hacking, break-ins and similar disruptions from unauthorized tampering, which could result in unauthorized dissemination of sensitive information such as medical data, which could materially and adversely affect our reputation. Any breach of our confidentiality obligations to our patients, including due to data leakages or improper use of such medical information notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, which would adversely impact our reputation. While we have not had any instance of cyber security breaches, misuse of personal information of our patients which resulted into any litigation during the nine months ended December 30, 2024 and the last three Fiscals, however, we cannot assure you this will continue to be the case in the future. Any of the aforementioned events may have a material adverse impact on our business, financial condition, results of operations, prospects and cash flows.

**30. *Our operations are dependent on our ability to successfully identify market requirements and customer preferences and gain customer acceptance for our products.***

Our future success is heavily dependent on our ability to sustain demand for our hearing aid products in both existing and new markets. This requires us to continuously anticipate and respond to evolving customer requirements, technological advancements, and industry trends in a timely manner. If we fail to accurately predict market needs or are unable to modify our existing product portfolio or develop innovative hearing aid solutions, we may lose customers, face greater pricing pressures, or struggle to maintain our competitive position.

While we remain committed to product innovation and technological advancements in hearing aid solutions, there is no assurance that our research and development (R&D) efforts will be successful. Changes in audiology technology, advancements in digital signal processing, AI-driven hearing aids, or emerging alternative hearing solutions could shift customer preferences, making our current products less desirable or even obsolete. If we are unable to develop new products that effectively align with these technological changes and evolving customer expectations, our hearing aids may fail to gain acceptance in existing or new markets, adversely affecting our revenue and market share.

A decline in demand for our products or inaccurate forecasts for future demand could lead to increased inventory levels, reduced production efficiency, and the need to sell products at marked-down prices. Such pricing adjustments may erode our profit margins and weaken our financial condition. Additionally, our competitors may introduce more technologically advanced, cost-effective, or customer-preferred hearing aid solutions, which could further pressure our market positioning.

To remain competitive and keep pace with industry advancements, we may need to undertake additional capital expenditures and investments to upgrade our Manufacturing Facility, improve R&D capabilities, and develop next-generation hearing aid technology. However, there is no guarantee that these investments will result in successful commercial products or yield expected financial returns. If our innovation efforts do not translate into commercially viable hearing aid solutions, our ability to maintain technological leadership and market competitiveness could be impacted.

**31. Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability.**

We maintain requisite insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

The details of insurance are mentioned below:

(Rs in lakhs)						
Sr. No.	Name of Insurance Company	Description	Inception Date	Expiry Date	Coverage and Sum assured	Premium
1.	National Insurance	Insurance of Tangible Assets	July 01, 2024	June 30, 2025	117.40	1.14
2.	National Insurance	Insurance of Inventory	July 01, 2024	June 30, 2025	600.00	
3.	Care Health Insurance	Employee Group Medclaim	January 10, 2025	January 09, 2026	87.00	2.91
4.	Care Health Insurance	Employee Group Personal Accident	January 10, 2025	January 09, 2026	290.00	
5.	Manipal Cigna Health Insurance	Employee Group Critical Illness	January 10, 2025	January 09, 2026	145.00	0.51
<b>Total</b>					<b>1,239.40</b>	<b>4.56</b>

Total insurance coverage maintained by the Company was ₹1,239.40 Lakhs, such insurance coverage was 278.41% of the Property, Plant & Equipment's, and Inventories of the Company as per the restated financial information as on December 31, 2024.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

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 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.

**32. There are certain instances of delays in payment of statutory dues. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities, which may have an adverse impact on our financial condition and cash flows.**

There have been certain instances on delay in payment of statutory dues, which *inter-alia* include, goods and services tax, provident fund, employees' state insurance, which as on the date of this Draft Prospectus has been deposited with relevant authorities. These delays were due to administrative and technical issues on the Portal during these periods.

Provident Fund:

For Stub period till December 31, 2024.

Sr. No.	Financial Year	Tax Period	Due Date of Payment	Date of Payment	Delay days
1.	2024-25	May	15-June-2024	18-June-2024	3
2.	2024-25	July	15-August-2024	16-August-2024	1

**ESIC**

**FY 2023-24**

Sr. No.	Financial Year	Tax Period	Due Date of Payment	Date of Payment	Delay days
1.	2023-24	March	15-April-2024	23-April-2024	8

For Stub period till December 31, 2024.

Sr. No.	Financial Year	Tax Period	Due Date	Date of Payment	Delay days
1.	2024-25	July	15-August-2024	21-August-2024	6

**TDS**

(Figures in Rs.)

Particulars	Due date of payment	Date of payment	Amount
<b>Period ended December 31, 2024</b>			
September 2024	October 07, 2024	21-October-2024	2937
December 2024	January 07, 2025	25-Janaury-2025	5,18,756
<b>Fiscal 2024</b>			
October 2023	7-November-2023	28-February-2024	84,000

**GOODS AND SERVICE TAX**

**GSTIN: 09AAGCE4235J1ZI (Uttar Pradesh)**

**GSTR-1**

**FY 2021-22**

Sr. No.	Financial Year	Tax Period	Due Date	Date of Filing	Delay days
1.	2021-22	April	July 11,2021	July 14,2021	64
2.	2021-22	June	July 11, 2021	July 14, 2021	3
3.	2021-22	December	January 11, 2022	January 15, 2022	4

**GSTR 3B**

**FY 2021-22**

Sr. No.	Financial Year	Tax Period	Due Date	Date of Filing	Delay days
1.	2021-22	April	May 20, 2021	July 14, 2021	55
2.	2021-22	June	July 20, 2021	July 22, 2021	2

While our Company has paid the interest, as applicable on delays in payment of statutory dues, we cannot assure you that any regulatory or statutory authority will not issue a notice or take any other regulatory action against our Company and its officers in this regard. Further, there can be no assurance that such delays may not arise in

future. Any delay in future may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

**33. *We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

The premises including our Registered Office, Corporate Office cum Manufacturing are located on rental/leased premises, and we do not own any of these premises. In the event such rent/lease arrangements are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. We may be required to shift our business premises to a new location. Due to this, may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. For information relating to properties that we have leased, see “***Our Business – Property***” on page 135.

Set-out below are the details of the immovable properties taken on lease by the Company:

Location of the Property	Agreement Date	Lessor	Lease Rent /License Fee	Area	Valid till	Purpose
Shop No.8-P, Street No.6, Vasundhara Enclave, Delhi-110096	December 27, 2024	Ranjit Kumar	Rs.10,000 Per Month	100 Sq.ft.	November 30, 2025	Registered Office
A-133, Block A, Sector-63, Gautambuddha Nagar, Noida-201301	March 05, 2023	Ashray Info Solutions Private Limited	Rs.2,00,000 Per Month plus increase of rent by 5% every year.	4,500 Sq. Ft.	February 06, 2028	Corporate Office and Manufacturing Unit
D-34, Sector 59, Noida-201301	August 16, 2024	Shubh Karman Fashions Private Limited	Rs. 95,000 Per Month	4,000 Sq. Ft.	July 19, 2025	Warehouse
3 <sup>rd</sup> Floor, KRBL Building, Plot No.-C32, Institutional Area, Sector-62, Gautam Budh Nagar, Noida-201301	May 01, 2025	KRBL Infrastructure Limited	Rs 4,87,500 Per Month <sup>#</sup>	13,000 Sq. Ft.	April 30, 2030	Proposed Corporate Office and Manufacturing Unit

<sup>#</sup>The monthly rent shall become due w.e.f. August 01, 2025.

**34. *Our operations are dependent on our ability to attract and retain qualified personnel, including our Key Managerial Personnel and Senior Management Personnel and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.***

Our operations are dependent on our ability to attract and retain qualified personnel. While we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel.

Set out below are details of our attrition for our permanent employees for the years indicated:

Particulars	As at December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
No of Employee Left During the Period	18	18	14	11

Total Number of Employee at Beginning of the Period	39	28	27	0
Total Number of Employee at closing of the Period	41	39	28	27
<b>Attrition Rate</b>	<b>45.00%</b>	<b>53.73%</b>	<b>50.91%</b>	<b>81.48%</b>

*\*Attrition rate has been calculated by dividing the total number of permanent employees who resigned during the relevant year/period with the average of total number of permanent employees at the opening and beginning of the relevant year/period*

For details of the breakdown of our employees by functionalities as of December 31, 2024, see “Our Business on page 135. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company.

Our business and the implementation of our strategy is also dependent upon our Key Managerial Personnel and our Senior Management Personnel, who oversee our day-to-day operations, strategy and growth of our business. For further details, see “Our Management – Key Management Personnel and Senior Management” on page 169. If one or more members of our Key Managerial Personnel and our Senior Management Personnel are unable or unwilling to continue in their present positions, such persons could be difficult to replace in a timely and cost-effective manner. There can be no assurance that we will be able to retain these personnel. The loss of our Key Managerial Personnel or members of our Senior Management or our inability to replace such Key Managerial Personnel or members of our Senior Management may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

**35. *We are exposed to the risks of malfunctions or disruptions of information technology systems.***

We depend on information technology systems and accounting systems to support our business processes, including designing, planning, execution, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to outages due to fire, floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence to avoid any adverse effect to our information technology systems.

**36. *The Board of Directors of our Company comprises of the Promoters.***

The Board of Directors of our Company consists of our Promoters Director. Therefore, our Promoters are in a position to control composition of the Board and decision making on account of having majority representation on the Board. For further details see “Our Management” beginning of page 169 of this Draft Prospectus. Further, the Promoters will hold a majority of the shareholding of the Company even post completion of the Offer. The trading price of the Equity Shares of the Company could be adversely affected if potential investors are disinclined to invest in the Company on account of their perception that the business and policy decisions of the Company would largely be decided by the Promoters. We cannot assure you that such perception will not have an adverse effect on our future financial performance or the price of our Equity Shares.

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

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

After completion of the Offer, our Promoters and members of the Promoter Group will collectively own a majority of the Equity Shares of our Company. As a result, our Promoters together with the members of the Promoter

Group will be able to exercise a degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

**38. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As on December 31, 2024, our total outstanding borrowings were ₹467.40 lakhs. For further details, see “Financial Indebtedness” on page 249. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely payment by our clients. If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

Typically, the restrictive covenants under financing documents of our Company require obtaining prior consent from the lender for certain events or actions. These include any change in the capital structure of our Company any change in the Memorandum of Association or Articles of Association of our Company, and any sale, transfer or disposal of all or any of the hypothecated properties, except in the ordinary course of business.

**39. *The Offer includes Fresh Issue and Offer for Sale by the Promoter. Company will not receive any proceeds from the Offer for Sale. The proceeds from the Offer for Sale component of the Offer shall be received directly by the Promoter Selling Shareholder.***

The Offer comprise a fresh Issue of 33,15,000 Equity Shares of ₹10 each and an Offer for Sale (OFS) of 3,34,000 Equity Shares of ₹10 each by the Promoter Selling Shareholder of our Company i.e Rohit Misra. The Equity Shares of face value of ₹10 each offered in OFS is 0.10 times of Fresh Issue.

The following is the details of acquisition of Equity Shares of face value of ₹10 each by the Promoter Selling Shareholder

Name of the Selling Shareholder	Category	Pre-Offer Shareholding	No. of Equity Shares offered in OFS	Post-Issue Shareholding	Weighted Average Cost of Acquisition (₹)
Rohit Misra	Promoter	79,04,397	3,34,000	75,70,397	0.35

The Promoter Selling Shareholder is, therefore, interested in the Offer Proceeds to the extent of the Equity Shares offered by the Promoter Selling Shareholder in the Offer for Sale. The entire proceeds (net of offer expenses) from the Offer for Sale will be paid to the Promoter Selling Shareholder in proportion to her portion of the Offered Shares transferred pursuant to the Offer for Sale and our Company will not receive any such proceeds from the offer for sale component.

Also, the Company will deploy only those funds for the stated objects which will be received from the Fresh Issue. Further, except for listing fees of the Offer, which will be borne by our Company, all cost, fees and expenses (including all applicable taxes) in respect of the Offer will be shared amongst our Company and the Promoter Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Promoter Selling Shareholder in the Offer for Sale, upon successful completion of the Offer. For further information, see “The Offer” and “Objects of the Offer” on pages 61 and 92, respectively.

**40. *Certain of our Promoters, Directors and Key Managerial Personnel and members of Senior Management may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Promoters, Directors, Key Managerial Personnel and members of Senior Management may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration, commission or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares, as applicable, held by them and by members of our Promoter Group, to the extent applicable, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Certain of our promoters and directors are interested in the promotion of our Company. For further details, see “Capital Structure”, “Our Promoters and Promoter Group” and “Our Management” on pages 75, 184 and 169, respectively.

The borrowings availed by our Company from certain lenders are secured by the guarantees provided by our Promoters and Directors. Any default or failure by us to repay our loans in a timely manner or at all could trigger repayment obligations on the part of our Promoters, in respect of such loans. This could have an adverse effect on our business, results of operation, and financial condition. We may not be successful in procuring guarantees to supplement or substitute the guarantees provided by our Promoters in a manner satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations, and cash flows.

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

Our Promoters’ average cost of acquisition of Equity Shares of face value of ₹10 each in our Company could be lower than the Offer Price as may be decided by the Company in consultation with the Lead Manager. The average cost of acquisition of Equity Shares acquired by our Promoters is set out below:

Name of Promoter	Number of Equity Shares	Average price per Equity Share (in ₹.)
Rohit Misra	79,04,397	0.35
Monika Misra	1,34,692	Negligible

For more details regarding weighted average cost of acquisition of Equity Shares of face value of ₹ 10 each by our Promoter and built-up of Equity Shares by our Promoter in our Company, see “Capital Structure” on page 75.

**42. *Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.***

In the preceding one year from the date of this Draft Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see “Capital Structure” on page 75.

**43. *If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining



such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition and results of operations. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**44. *Our Company has not declared any dividends in the three Fiscal preceding the date of this Draft Prospectus. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our Company has not paid any dividend on its Equity Shares during the last three Fiscals. The amount of future dividend payments, if any, will depend upon a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. There is no assurance that we would have sufficient profitability and cash flow to pay dividends to the Shareholders.

**45. *None of the Directors of the Company have experience of being a director of a public listed company.***

The Directors of the Company do not have the experience of having held directorship of public listed company. Accordingly, they have limited exposure to management of affairs of the listed company which inter-alia entails several compliance requirements and scrutiny of affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, the Company will require to adhere strict standards pertaining to accounting, corporate governance and reporting that it did not require as an unlisted company. The Company will also be subject to the SEBI Listing Regulations, which will require it to file audited annual and unaudited half-yearly reports with respect to its business and financial condition. If the Company experiences any delays, we may fail to satisfy its reporting obligations and/or it may not be able to readily determine and accordingly report any changes in its results of operations as promptly as other listed companies.

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

**46. *Our operations may be materially adversely affected by strikes, work stoppages or increased compensation demands by our employees.***

We are dependent on work force for carrying out our operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions

in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

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

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

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders.

If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

***48. Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.***

We intend to use Net Proceeds from the Offer towards (a) Funding incremental working capital requirements of our Company; b) Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.; and (c) general corporate purposes. For details of the objects of the Offer, see "***Objects of the Offer***" on page 92. Our management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds. Moreover, we cannot undertake any material deviation in the utilisation of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business.

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

We propose to utilize the Net Proceeds as stated under "Objects of the Offer" on page 92. However, our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised.

As per section 27 of the Companies Act, the objects of utilization of the Net Proceeds from the fresh issue as disclosed in this Draft Prospectus can only be varied after obtaining the shareholders' approval vide a special resolution. In the event, the Company wishes to vary the objects for which the net proceeds from the fresh issue are required to be varied, our Company may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company. This may restrict our ability

to respond to any change in our business or financial condition, and thus, adversely affecting our business and results of operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Draft Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**50. *We may be affected by competition law, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002 ("Competition Act") seeks to prevent business practices that have an Appreciable Adverse Effect on Competition ("AAEC") in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an AAEC in India is void and attracts substantial monetary penalties. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require that the acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by CCI. However, the applicability or impact of the provisions of the Competition Act on any future acquisition or arrangement entered into by us cannot be predicted with certainty at this stage.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹5,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Net Proceeds, and our Company will have full discretion in respect of issue proceeds. However, audit committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue and as per regulation 262(5) of SEBI ICDR regulations 2018, we shall submit a certificate of the statutory auditor for utilization of money raised through the public issue to exchange while filing the half yearly financial results, till the issue proceeds are fully utilized. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public

**52. *We have not independently verified certain Industry related data in this Draft Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**Offer Specific Risks**

**53. *Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors***

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges and the Securities and Exchange Board of India. These measures have been introduced to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low-price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is subject to GSM when the share price is not commensurate with the financial health and fundamentals of the company. Specific parameters for GSM include net worth, net fixed assets, PE, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

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

The Offer Price of our Equity Shares will be determined by the fixed price method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Offer. For details, see “Basis for Offer Price” on page 109. The market price of our Equity Shares could be subject to fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**56. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Any sale of our Equity Shares by our Promoters or major shareholders or future equity issuances, by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**External Risk Factors:**

**58. *Our business and results of operations could be adversely affected by disruptions in global economic and geo political conditions.***

The global economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax including antidumping duties and countervailing duties, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in debt rating; and adverse global economic conditions due to various reasons such as, effect of COVID Pandemic, ongoing dispute between Russia and Ukraine, political instability in Bangladesh, etc. While the Indian economy has grown in recent years, it has experienced economic slowdowns in the past due to global economic and geo political conditions. The Indian economy in particular could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government and other factors. Unfavourable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

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

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, including the instances described below, may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

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

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We

may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

**61. *Investors may not be able to enforce judgements obtained in foreign courts against us.***

We are a public limited company under the laws of India. All of our directors and officers are Indian nationals and all portion of the of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgment against them obtained from courts outside India, including judgements predicated on the civil liability provisions of the United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “Civil Code”). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgements or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgement for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgement in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgement is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgement. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgement rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the Reserve Bank of India to repatriate any amount recovered pursuant to the execution of the judgement.

**62. *We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the SME platform of BSE, subject to the receipt of the final listing and trading approvals from the BSE. Consequently, our business, operations, financial performance and the market price of

our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies; and
- other regulatory or economic developments in or affecting India or its logistics sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

**63. *Inflation in India could have an adverse effect on our profitability on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Continued high rates of inflation may increase our expenses related to costs of raw material, rent, salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and our financial condition.

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

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

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

Any adverse revisions to India's credit ratings for international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms

at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**66. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**67. *The occurrence of natural or man-made disasters may adversely affect our business, financial condition, results of operations and cash flows.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war such as Russia's invasion of Ukraine, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

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

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



**69. *Rights of shareholders under Indian laws may be different from laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction.

[The remainder of this page has intentionally been left blank]

## SECTION III INTRODUCTION

### THE OFFER

The Following table summarizes the details of the offer:

Issue of Equity Shares by our Company	Up to 36,49,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] lakhs
<b>The Offer consists of</b>	
Fresh Issue	33,15,000 Equity shares of face value of ₹10 each aggregating up to ₹[●] lakhs.
Offer for Sale	3,34,000 Equity shares of face value of ₹10 each aggregating up to ₹[●] lakhs.
<b>Out Of Which</b>	
Reserved for Market Makers	[●] Equity Shares of face value of ₹10 each fully paid-up for cash at price of ₹[●] per Equity Share aggregating to ₹[●] Lakh.
Net Issue to the Public	[●] Equity Shares of face value of ₹10 each fully paid-up for cash at price of ₹[●] per Equity Share aggregating to ₹[●] Lakh.
<b>Of Which</b>	
Allocation to Individual Investors for above ₹2 lakhs.	[●] Equity Shares of face value of ₹10 each fully paid-up for cash at price of ₹[●] per Equity Share aggregating to ₹[●] Lakh.
Allocation to other investors for above ₹2 lakhs.	[●] Equity Shares of face value of ₹10 each fully paid-up for cash at price of ₹[●] per Equity Share aggregating to ₹[●] Lakh.
<b>Pre-and Post-Issue Equity Shares:</b>	
Equity Shares outstanding prior to the Offer	1,04,38,932 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Offer	1,37,53,932 Equity Shares of face value of ₹10 each
<b>Use of Issue Proceeds</b>	For details, please refer chapter titled “Objects of the Offer” beginning on page no. 92 of this Draft Prospectus

**Note:**

The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The Offer has been authorized by a resolution of our Board dated January 04, 2025 and the same has been authorised by a resolution of our Shareholders dated January 06, 2025.

The present Offer is being made by our Company in terms of Regulation 229(1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Offer paid-up equity share capital of our Company are being offered to the public for subscription.

The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. The Promoter Selling Shareholder has approved the transfer of the Offered Shares as set out below:

Name of the Promoter Selling Shareholder	Number of Equity Shares of face value of ₹10 each offered in the Offer for Sale	Date of consent letter
Rohit Misra	3,34,000	January 10, 2025

As per the Regulation 253, sub regulation (3) of the SEBI (ICDR) Regulations 2018, as amended, as present offer is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to individual investor who applies for minimum application size; and
- b) remaining to:
  - i. Individual applicants who applies for more than minimum application size; and

- ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation: If the category of individual investors who applies for minimum application size is entitled to more than fifty per cent. of the Offer size on a proportionate basis, such individual investors shall be allocated that higher percentage.

For further details please refer to chapters titled “Terms of the Offer”, “Other Regulatory and Statutory Disclosures” and “Offer Structure” beginning on page no. 268, 259 and 275, respectively of this Draft Prospectus.

[The remainder of this page has intentionally been left blank]

## SUMMARY OF FINANCIAL STATEMENTS

The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto, and “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 191 and 232, respectively.

### Restated Statement of Assets and Liabilities

*(₹ in lakhs, unless otherwise stated)*

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders’ Funds</b>				
(a) Share Capital	1,043.89	6.91	6.77	6.74
(b) Reserves & Surplus	763.09	1,296.58	649.47	471.94
<b>Non-Current Liabilities</b>	-	-	-	-
(a) Long-term Borrowings	-	-	-	-
(b) Long -term Provisions	15.62	10.39	6.18	2.01
(c) Deferred Tax Liabilities (Net)	-	-	-	-
<b>Current Liabilities</b>				
(a) Short-term Borrowings	467.40	400.11	121.42	25.00
(b) Trade Payables				
- total outstanding dues of Micro, Small and Medium enterprises; and	34.09	5.46	-	-
- total outstanding dues of creditors other than Micro, Small and Medium enterprises	469.96	100.52	584.04	50.34
(c) Short-term Provisions	226.17	63.75	37.22	11.20
(d) Other Current Liabilities	48.16	41.66	67.70	27.00
<b>Total Equity &amp; Liabilities</b>	<b>3,068.38</b>	<b>1,925.39</b>	<b>1,472.80</b>	<b>594.23</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant & Equipment and Intangible assets				
-Property, Plant and Equipment	92.32	77.08	16.11	14.27
-Intangible Assets	20.06	28.75	9.37	8.00
(b) Non-current Investments	7.66	18.79	10.49	146.25
(c) Deferred Tax Assets (Net)	8.94	5.01	3.61	0.73
(d) Long-term Loans and Advances	-	-	-	-
(e) Other Non-current Assets	107.57	105.68	82.75	5.44
<b>Current Assets</b>				
(a) Trade Receivables	2,357.44	633.95	469.88	161.75
(b) Inventories	352.84	621.59	549.15	74.78
(c) Cash and Cash Equivalents	5.53	137.87	58.20	7.27
(d) Short-term Loans and Advances	45.64	168.30	215.26	153.27
(e) Other Current Assets	70.37	128.35	57.98	22.48
<b>Total Assets</b>	<b>3,068.39</b>	<b>1,925.39</b>	<b>1,472.80</b>	<b>594.23</b>

### Restated Statement of Profit and Loss

(₹ in lakhs, unless otherwise stated)

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>INCOME</b>				
(a) Revenue from Operations	3,321.41	3,175.46	2,891.63	569.17
(b) Other Income	8.33	21.22	5.05	3.85
<b>Total Income</b>	<b>3,329.74</b>	<b>3,196.69</b>	<b>2,896.68</b>	<b>573.02</b>
<b>Expenses</b>				
(a) Cost of Materials Consumed	1,475.32	2,019.90	1,881.69	273.37
(b) Purchases of Stock-in-Trade	179.81	609.63	188.35	-
(c) Changes in inventories of finished goods, work in progress and stock-in- trade	307.37	(492.15)	(13.56)	(72.80)
(d) Employee Benefits Expense	300.83	341.48	297.20	148.98
(e) Finance Costs	30.32	33.25	5.66	-
(f) Depreciation and amortization Expense	30.25	18.76	15.02	5.98
(g) Other Expenses	290.80	341.43	377.07	206.27
<b>Total Expenses</b>	<b>2,614.69</b>	<b>2,872.31</b>	<b>2,751.44</b>	<b>561.80</b>
<b>Profit before Exceptional and Extraordinary Items and Tax (A) - (B)</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
(a) Exceptional Items	-	-	-	-
<b>Profit before Extraordinary Items and Tax</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
(a) Extraordinary Items	-	-	-	-
<b>Profit Before Tax</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
<b>Tax expenses:</b>				
(a) Current tax	220.98	55.08	25.25	2.35
(b) Earlier Tax/Prior Period Tax	(5.48)	0.11	0.22	-
(c) Deferred Tax	(3.93)	(1.40)	(2.88)	(0.73)
(d) MAT Credit	-	(35.22)	(8.54)	(0.96)
<b>Profit for the year period</b>	<b>503.49</b>	<b>305.81</b>	<b>131.20</b>	<b>10.56</b>
<b>Earnings per equity share:</b>				
(a) Basic EPS	2.41	2.03	0.87	0.07
(b) Diluted EPS	2.41	1.46	0.63	0.05

### Restated Cash Flow Statement

(₹ in lakhs, unless otherwise stated)

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>A. Cash Flows from Operating Activities:</b>				
<b>Profit before tax &amp; extraordinary items</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
<i>Adjustment for:</i>				
(a) Amortization expense	0.43	0.57	0.57	0.57
(b) Depreciation	30.25	18.76	15.02	5.98
(c) Interest on borrowings	30.32	33.25	5.66	-
(d) Interest Income	-	(1.56)	(0.79)	(0.98)
(e) Other Adjustments	0.24	-	1.57	(0.59)
<b>Operating Profit before Working Capital Changes</b>	<b>776.28</b>	<b>375.41</b>	<b>167.27</b>	<b>16.20</b>
<i>Adjusted for (increase)/decrease in operating assets:</i>				
(a) Decrease / (Increase) in Inventories	268.75	(72.44)	(474.37)	(74.78)
(b) Decrease / (Increase) in Trade Receivable	(1,723.49)	(164.08)	(308.13)	(161.75)
(c) (Increase)/ Decrease in Other Current Assets	57.98	(70.38)	(26.41)	(22.48)
(d) (Increase)/ Decrease in Loans & Advances	122.66	46.95	(61.99)	(153.27)
(e) Increase/ (Decrease) in Trade Payables and Other Current Liabilities	398.07	(478.06)	533.70	77.34
(f) Increase/ (Decrease) in short term Borrowings	67.29	278.69	96.42	25.00
(g) Increase/ (Decrease) in short term Provisions/Other Current liabilities	174.16	4.69	45.64	13.21
<b>Cash generated from Operations</b>	<b>141.70</b>	<b>(79.21)</b>	<b>(27.87)</b>	<b>(280.53)</b>
(a) Income tax paid	215.50	20.52	1.77	2.35
<b>Net Cash Generated From Operation (A)</b>	<b>(73.80)</b>	<b>(99.73)</b>	<b>(29.64)</b>	<b>(282.88)</b>
<b>B. Cash Flow From Investing Activities</b>				
(a) Purchase/Sale of Fixed Assets	(36.80)	(99.11)	(18.24)	(28.13)
(b) Investment in FD	11.13	(8.30)	135.75	(146.25)
(c) Interest Income	-	1.79	0.25	1.85
(d) Others	(2.56)	(23.17)	(77.88)	(5.44)
<b>Net Cash From /(used in) Investing Activities (B)</b>	<b>(28.22)</b>	<b>(128.79)</b>	<b>39.88</b>	<b>(177.97)</b>
<b>C. Cash Flow From Financing Activities</b>				
(A) Share Capital	-	341.44	46.36	468.12
(B) Interest Paid on Borrowings	(30.32)	(33.25)	(5.66)	-
<b>Net Cash from / (used in) Financing Activities (C)</b>	<b>(30.32)</b>	<b>308.19</b>	<b>40.70</b>	<b>468.12</b>
<b>Net Increase /(Decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(132.33)</b>	<b>79.67</b>	<b>50.93</b>	<b>7.27</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the period/year</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents as at the end of the period/year</b>	<b>5.54</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>
<b>Cash &amp; Cash Equivalents consists of:</b>				
a) Cash on hand	0.60	2.01	0.03	-
b) Balances with banks	4.93	135.86	58.17	7.27
<b>Total</b>	<b>5.53</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>

## GENERAL INFORMATION

Our Company was originally formed as a Private Limited Company in the name and style of “Earkart Private Limited” under the provisions of the Companies Act, 2013 on April 14, 2021 vide Certificate of Incorporation issued by Registrar of Companies, Central Processing Centre, bearing CIN: U74999UP2021PTC145093. Subsequently, our Company was converted into a Public Limited Company under the Companies Act, 2013 pursuant to a special resolution passed by the shareholders of our Company on November 27, 2024 and the name was changed to “Earkart Limited” pursuant to a fresh Certificate of Incorporation dated December 18, 2024 issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U74999DL2021PLC399313.

For further details, please refer to chapter titled ‘History and Certain Other Corporate Matters’ beginning on Page 163 of this Draft Prospectus.

### Registered Office of our Company

#### **Earkart Limited**

Shop No. 8-P, Street No. 6,  
Vasundhara Enclave,  
East Delhi, Delhi-110096

**Tel. No.:** 0120-4102857

**E-mail:** info@earkart.in

**Website:** www.earkart.in

**Registration Number:** 399313

**Corporate Identification Number:** U74999DL2021PLC399313

### Registrar of Companies

#### **The Registrar of Companies, Delhi**

Registrar of Companies,  
4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi-110019

### Designated Stock Exchange

#### **BSE Limited (“BSE SME”)**

25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001

**Website:** www.bsesme.com

### Board of Directors of our Company

Name	Designation	DIN	Address
Rohit Misra	Managing Director	00775537	2037, Milano Tower, Mahagun Moderne, Sector 78, Noida, Gautam Buddha Nagar-201301
Monika Misra	Whole Time Director	06939593	2037, Milano Tower, Mahagun Moderne, Sector 78, Noida, Gautam Buddha Nagar-201301
Ajay Kumar Giri	Executive Director	09505964	22-A, Pocket-4, MIG Flats, Mayur Vihar, Phase -3, East Delhi, Delhi-110096
Rahul Salesha	Executive Director	09540291	Flat No. 5214, Tower-5, ACE Golfshire, Sector-150, Gautam Buddha Nagar, Noida-201301
Sidhartha Pradhan	Independent Director	06938830	D-602, Som Vihar, R K Puram Sector 12, R. K. Puram Sector 5, South West Delhi-110022
Lakshman Shyam Singh	Independent Director	10913125	18 Mahila Gram Colony Subedarganj, Allhabad-211001

Name	Designation	DIN	Address
Rajhkumar Jaain	Independent Director	07753737	Tower-2, Flat No. 201, Lotus 300, Sector-107, Gautam Buddha Nagar, Noida-201301

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 169 of this Draft Prospectus.

#### **Company Secretary & Compliance Officer**

**Preeti Srivastava**

**Earkart Limited**

Shop No. 8-P, Street No. 6,

Vasundhara Enclave,

East Delhi, Delhi-110096

**Tel. No.:** 0120-4102857

**E-mail:** cs@earkart.in

#### **Chief Financial Officer**

**Ajay Kumar Giri**

**Earkart Limited**

Shop No. 8-P, Street No. 6,

Vasundhara Enclave,

East Delhi, Delhi-110096

**Tel. No.:** 0120-4102857

**E-mail:** ajay\_giri@earkart.in

#### **Investor Grievances**

**Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Offer and/or Lead Manager in case of any Pre-Offer or Post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode etc.**

All grievances may be addressed to the Registrar to the Offer 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 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.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any 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. In terms 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 SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post Offer lead manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy



to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

#### **Key Intermediaries to the Offer:**

<b>Lead Manager to the Offer</b>
<b>Sarthi Capital Advisors Private Limited</b> 401, 4 <sup>th</sup> Floor, Manek Plaza, 167, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai-400098 <b>Tel:</b> +91 22 26528671/72 <b>Contact Person:</b> Pankaj Chaurasia <b>Email:</b> ipo@sarthiwm.in <b>Website:</b> www.sarthi.in <b>SEBI Registration No.:</b> INM000012011
<b>Legal Advisor to the Offer</b>
<b>Vidhigya Associates</b> 105 and 310, A Wing, Kanara Business Center, Ghatkopar (East) Mumbai-400075 <b>Tel. No.:</b> +91 8424030160 <b>Contact Person:</b> Rahul Pandey <b>Email:</b> rahul@vidhigyaassociates.com <b>Website:</b> www.vidhigyaassociates.com
<b>Registrar to the Offer</b>
<b>Skyline Financial Services Private Limited</b> <b>CIN:</b> U74899DL1995PTC071324 D-153A, First Floor, Okhla Industrial Area, Phase-1, New Delhi, Delhi-110020 <b>Tel:</b> 011-26812683/40450193-97 <b>E-mail:</b> ipo@skylinerta.com <b>Website:</b> www.skylinerta.com <b>Contact Person:</b> Anuj Rana <b>SEBI Registration No.:</b> INR000003241
<b>Banker to the Company</b>
<b>ICICI Bank</b> Sector-50, Noida-201301 <b>Tel. No.:</b> +91 85270 95643 <b>Contact Person:</b> Ajay Sharma <b>Email id:</b> sharma.aja@icicibank.com
<b>Statutory Auditor</b>
<b>Timsi &amp; Associates</b> Chartered Accountants A-125, Sector-48, Noida-201301, Uttar Pradesh, Noida 201301, Uttar Pradesh <b>Tel. No.:</b> +91 78385 83808 <b>Email:</b> caltimsisharma@gmail.com <b>Contact Person:</b> Timsi Sharma <b>Firm Registration No.:</b> 020141C <b>Membership No.:</b> 535006
<b>Peer Reviewed Auditor</b>
<b>Singhi Chugh &amp; Kumar</b> Chartered Accountants No.001, B7/107A, Ground Floor, Safdurjung Enclave Extension, New Delhi-110029. <b>Tel. No.:</b> +91-11-40022555 <b>Email:</b> info@sckonline.net <b>Contact Person:</b> Nidhi Gupta <b>Firm Registration No.:</b> 013613N <b>Membership No.:</b> 503539 <b>Peer Review No.:</b> 018001
<b>Banker To the Offer/ Public Offer Bank/Sponsor Bank/Refund Bank</b>

[•]\*

*\*will be finalized prior to the filing of the Prospectus*

### **SELF CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs / mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

Application made using incorrect UPI handle or using a bank account of a SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.

### **Credit Rating**

This being an Offer of Equity shares, credit rating is not required.

### **IPO Grading**

Our Company has not obtained any IPO grading for this Offer from any credit rating agency.

### **Monitoring Agency**

Since the proceeds from the offer does not exceed ₹5,000 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 Offer. 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 Offer.

### **Appraisal Agency**

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

### **Inter-se allocation of Responsibilities**

Since Sarthi Capital Advisors Private Limited is the sole Lead Manager to this Offer, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

### **Expert Opinion**

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

Our Company has received written consent dated May 26, 2025 from Peer Review Auditor namely, M/s. Singhi Chugh & Kumar, Chartered Accountants (FRN: 013613N), holding a peer review certificate from the ICAI, on report of the

restated financial statements for the nine months ended December 31, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 as included in this Draft Prospectus,

Our Company has received the report on the Statement of Tax Benefits, dated May 30, 2025, from the Statutory Auditor, M/s. Timsi & Associates, Chartered Accountants (Firm Registration Number: 020414C), for inclusion in this Draft Prospectus.

Aforementioned consents have not been withdrawn as on the date of this Draft Prospectus.

#### **Debenture Trustee**

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

#### **Filing of Offer Document**

The Draft Prospectus is being filed with SME Platform of BSE Limited ("BSE SME") situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the material contracts and documents will be filed with RoC through the electronic portal at <http://www.mca.gov.in>.

#### **Underwriter**

In terms of Regulation 260(1) of the SEBI (ICDR) Regulations, 2018, the Initial Public Offer shall be underwritten for hundred per cent of the Offer and shall not be restricted up to the minimum subscription level and as per sub regulation (2) the Lead Manager shall underwrite at least fifteen percent of the Offer size on their own account.

Our Company and LM to the Offer hereby confirm that the Offer will be 100.00% Underwritten. The Company in consultation with the LM will appoint the Underwriter for the Offer and the same details shall be updated in the Prospectus.

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

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (Rs. In Lakhs)	% of Total Offer Size Underwritten
[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

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

#### **Changes in Auditors During the last three Financial Years**

There has been no change in our Statutory Auditor in the three-year preceding the date of this Draft Prospectus.

## Fixed Price process

The Offer is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present Offer is a fixed price offer, the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to Individual Investors who applies for minimum application size; and
- b) Remaining to:
  - i. Individual applicants other than who applies for more than minimum application size; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the category of individual investors who applies for minimum application size is entitled to more than fifty per cent. of the offer size on a proportionate basis, such individual investors shall be allocated that higher percentage.*

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Offer and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at an Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Individual Investor Portion (who applies for minimum application size) where Allotment to each such Investors shall not be less than the minimum lot, subject to availability of Equity Shares in such 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 LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.**

For further details on the method and procedure for applications, please see section entitled "Offer Procedure" on page 279 of this Draft Prospectus.

## Offer Program

Event	Indicative Date
Offer Opening Date	on or about [●]
Offer Closing Date	on or about [●]
Finalization of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account	on or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	on or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	on or about [●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form except that on the Offer Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of applications on the Offer closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than individual applicants (who applies for minimum application size).
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only individual applicant's (who applies for minimum application size), which may be extended up to such time as deemed fit by Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to Designated Stock Exchange within half an hour of such closure.

It is clarified that Applications not uploaded on the electronic system would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

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

#### **Withdrawal of the Offer**

In accordance with the SEBI (ICDR) Regulations, our Company and the Selling Shareholders, in consultation with Lead Manager, reserves the right not to proceed with this offer at any time after the Offer Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company in consultation with LM withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-offer advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI ICDR Regulations, Non-Individual Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

#### **Details of the Market Making Arrangement**

Our Company and the Lead Manager will enter into a tripartite agreement dated with the following Market Maker, duly registered with Bombay Stock Exchange to fulfill the obligations of Market Making:

**Name:** [●]  
**Address:** [●]  
**Tel:** [●]  
**E-mail:** [●]  
**Contact Person:** [●]  
**SEBI Registration No.:** [●]

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

[●], 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 fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the SME Platform of BSE Limited and SEBI from time to time.
3. The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE Limited (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the BSE Limited from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Offer Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% of Offer Size would not be taken into consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Offer Size, the Market Maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE Limited may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

12. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the M to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the LM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
13. **Risk containment measures and monitoring for Market Makers:** The SME portal of BSE will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. Stock Exchange can impose any other margins as deemed necessary from time-to-time.
14. **Punitive Action in case of default by Market Makers:** 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.
15. **Price Band and Spreads:** 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 SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to ₹250 crores, the applicable price bands for the first day shall be:

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

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

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

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

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

## CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value	
		Face Value	Offer Price
<b>A</b>	<b>Authorised Share Capital <sup>(1)</sup></b>		
	<i>Equity Shares comprising:</i>		
	<b>1,45,00,000 Shares of face value of ₹10 each</b>	1,450.00	[●]
	<i>Preference Shares comprising:</i>		
	<b>30,000 CCPS of face value of ₹10 each</b>	3.00	[●]
<b>B</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the offer (as on the Date of this Draft Prospectus)</b>		
	1,04,38,932 fully paid-up Equity Shares of Face Value of ₹10 each	1,043.89	[●]
<b>C</b>	<b>Present Offer <sup>(2)</sup></b>		
	Offer of 36,49,000 Equity Shares of face value ₹10 each aggregating to ₹[●] Lakhs	364.90	[●]
	<i>Of which</i>		
	Fresh Issue of 33,15,000 Equity Shares of face value of ₹10 each aggregating to ₹[●] Lakhs	331.50	[●]
	Offer for Sale of 3,34,000 Equity Shares of face value of ₹10 each aggregating to ₹[●] Lakhs <sup>(3)</sup>	33.40	[●]
<b>D</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Offer</b>		
	1,37,53,932 Equity Shares of Face Value of ₹10 each	1,375.39	[●]
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Offer		Nil
	After the Offer* <sup>(4)</sup>		[●]

\*Subject to finalization of Basis of Allotment.

<sup>(1)</sup> For details of the changes in the authorised share capital of our Company since incorporation, see “History and Certain Corporate Matters-Amendments to our Memorandum of Association since inception” on page 310.

<sup>(2)</sup> The present Offer has been authorized by a resolution of our Board dated January 04, 2025 and the same has been authorised by a resolution of our Shareholders dated January 06, 2025.

<sup>(3)</sup> Promoter Selling Shareholder confirms that the Offered Shares have been held by him for a period of at least one year prior to filing of this Draft Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale as set out below:

<sup>(4)</sup> Without adjusting for the offer expenses.

Promoter Selling Shareholder	No. of Equity Shares of Face value of ₹10 each offered in the Offer for Sale	Date of Board Resolutions	Date of Consent Letter
Rohit Misra	3,34,000	January 31, 2025	January 10, 2025

For details on the authorization of the Promoter Selling Shareholder in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” on page 259.



## **Class of Shares**

As on date, our Company has only one class of Share Capital i.e. Equity Shares of face value of ₹10 each only. All equity shares are fully paid-up.

Further, our Company has no outstanding convertible instrument as on the date of this Draft Prospectus.

## **Changes in the authorized share capital of our Company**

For details of the changes to the authorized share capital of our Company, see “History and Certain Corporate Matters” “Amendments to our Memorandum of Association” on page 163.

[The remainder of this page has intentionally been left blank]

## 1. Notes on Capital Structure

### a) Notes to the Capital Structure

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

Date of Allotment of the Equity shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid-up Capital	Share Premium	Cumulative Share Premium
On Incorporation April 14, 2021	50,000	10	10	Subscription to MOA <sup>(1)</sup>	Cash	50,000	5,00,000	-	-
September 30, 2024	19,132	10	10	Conversion of CCPS into Equity <sup>(2)</sup>	N.A.	19,132	6,91,320	-	-
<b>Total (Pre-Split Shares)</b>	<b>69,132</b>	<b>10</b>				<b>69,132</b>			
Pursuant to a resolution passed by our Board dated September 30, 2024, and a special resolution passed by our Shareholders at an EGM on September 30, 2024, the existing equity shares of face value of ₹10 each were sub-divided into equity shares of face value of ₹5 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company, comprising of 69,132 equity shares of face value of ₹10 each was sub-divided into 1,38,264 issued, subscribed and paid-up Equity Shares of ₹5 each.									
<b>Total (Post-Split Shares)</b>	<b>1,38,264</b>	<b>5</b>							
September 30, 2024	2,07,39,600	5	N.A.	Bonus Issue <sup>(3)</sup>	-	2,08,77,864	10,43,89,320	-	-
<b>Total (Pre-Consolidation Shares)</b>	<b>2,08,77,864</b>	<b>5</b>				<b>2,08,77,864</b>			
Pursuant to a resolution passed by our Board dated January 31, 2025 and a special resolution passed by our Shareholders at an EGM on February 03, 2025, the existing equity shares of face value of ₹5 each were consolidate into equity shares of face value of ₹10 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company, comprising of 2,08,77,864 equity shares of face value of ₹5 each was consolidated into 1,04,38,932 issued, subscribed and paid-up Equity Shares of ₹10 each.									
<b>Total (Post-Consolidation Shares)</b>	<b>1,04,38,932</b>	<b>10</b>				<b>1,04,38,932</b>	<b>10,43,89,320</b>	<b>-</b>	<b>-</b>

- (1) Initial Subscribers to Memorandum of Association hold 50,000 Equity Shares each of Face Value of ₹10 fully paid up as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Shailendra Yadav	25,000
2.	Priyadarshi Jha	25,000
<b>Total</b>		<b>50,000</b>

- (2) Allotment of 19132 Equity shares of Face Value of ₹5 each pursuant to conversion of CCPS in to Equity shares in the ratio of 1 Equity Share for every 1 CCPS held.

Sr. No.	Name of Person	No. of Shares Allotted
1.	Rohit Misra	3,699
2.	Ashneer Grover	6,172
3.	Monika Misra	650
4.	Sushma Shah	1,287
5.	Tejas Vohra HUF	644
6.	Shalini Rustogi	644
7.	Umesh Chand Goyal	644
8.	Monica Gupta	344
9.	Rashmi Tyagi	652
10.	Kumar Agneet	989
11.	Abhishek Sharma	62
12.	Alok Khushal	33
13.	Amit Grover	66
14.	Devansh Misra	50
15.	Aditya Misra	19
16.	Lata Garg	462
17.	Madhavendra Chandra	33
18.	Mandayam Aji Srikanth	33
19.	Nikhil Tripathi	66
20.	Nilesh Rajendra Dandekar	66
21.	Pranay Barapatra	33
22.	Priya Rajeev Bhale	33
23.	Rashi Sapra	33
24.	Suruchi Arora	33
25.	Sonali Chakbarty Singh	33
26.	Sunita Chaudhary	66
27.	Surendra Kumar	33
28.	Sandeep Kapoor	66
29.	Rahul Khattar	33
30.	Ruchika Malik	129
31.	Ramesh Chand Grover	99
32.	Raghav Kacker	1
33.	Tanya Gupta	125
34.	Mannsi Gupta	100
35.	Neeraj Gupta	75
36.	Agility Ventures Fund	827
37.	3F Ventures Partners II LLP	209
38.	Harsh Jayesh Shah	136
39.	Z21 Ventures Fund I,LP	355
40.	Shruti Tulsyam	35

Sr. No.	Name of Person	No. of Shares Allotted
41.	Vidushi Bhalla	63
<b>Total</b>		<b>19,132</b>

- (3) The Company allotted 2,07,39,600 Equity Shares of Face Value of ₹5 each as Bonus Shares in the ratio of 150 (One hundred and fifty) Equity shares for every 01 (One) Equity Share held as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Rohit Misra	1,53,82,500
2.	Ashneer Grover	18,51,600
3.	Monika Misra	2,67,600
4.	Sushma Ninand Shah	3,86,100
5.	Tejas Vohra HUF	1,93,200
6.	Shalini Rustogi	1,93,200
7.	Umesh Chand Goyal	1,93,200
8.	Monica Gupta	1,03,200
9.	Rashmi Tyagi	1,95,600
10.	Kumar Agneet	2,96,700
11.	Abhishek Sharma	18,600
12.	Alok Khushal	9,900
13.	Amit Grover	19,800
14.	Devansh Misra	87,600
15.	Aditya Misra	78,300
16.	Lata Garg	1,38,600
17.	Madhavendra Chandra	9,900
18.	Mandayam Aji Srikanth	9,900
19.	Nikhil Tripathi	19,800
20.	Nilesh Rajendra Dandekar	19,800
21.	Pranay Barapatra	9,900
22.	Priya Rajeev Bhale	9,900
23.	Suruchi Arora	9,900
24.	Sonali Chakbarty Singh	9,900
25.	Sunita Chaudhary	19,800
26.	Surendra Kumar	9,900
27.	Sandeep Kumar	19,800
28.	Rahul Khattar	9,900
29.	Ruchika Malik	38,700
30.	Ramesh Chand Grover	29,700
31.	Raghav Kacker	300
32.	Tanya Gupta	37,500
33.	Mannsi Gupta	30,000
34.	Neeraj Gupta	22,500
35.	Agility Ventures Fund	2,48,100
36.	3F Ventures Partners II LLP	62,700
37.	Harsh Jayesh Shah	40,800
38.	Z21 Ventures Fund I,LP	1,06,500
39.	Shruti Tulasyam (Advisory Shares)	10,500
40.	Vidushi Bhalla	18,900
41.	Rashi Sapra	9,900
42.	Mulkraj Soneja	46,200
43.	Priyadarshi Jha	4,63,200
<b>Total</b>		<b>2,07,39,600</b>

**b) History of Preference Share Capital (“CCPS”)**

As on date of this Draft Prospectus, our Company does not have any outstanding preference share capital. This history of the preference share capital of our Company is set forth in the table below:

Name of the shareholder of preference shares	Date of acquisition of preference shares	Number of preference shares acquired	Face value per preference share	Nature of consideration	Nature of transaction	Number of Equity Shares allotted post conversion	Acquisition price per preference share	Price per Equity Share (based on conversion)
Rohit Misra	October 13, 2021	10,489	10	Cash	Private Placement	10,489	810	10
Sushma Ninad Shah	November 15, 2021	1,287	10	Cash	Private Placement	1,287	2,330	10
Tejas H Vora HUF	November 15, 2021	644	10	Cash	Private Placement	644	2,330	10
Shalini Rustagi	November 15, 2021	644	10	Cash	Private Placement	644	2,330	10
Umesh Chand Goyal	November 15, 2021	644	10	Cash	Private Placement	644	2,330	10
Monica Gupta	November 15, 2021	644	10	Cash	Private Placement	644	2,330	10
Rashmi Tyagi	November 18, 2021	652	10	Cash	Private Placement	652	3,834	10
Kumar Agneet	December 17, 2021	989	10	Cash	Private Placement	989	5,055	10
Mandayam Aji Srikanth	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Lata Garg	February 17, 2022	330	10	Cash	Private Placement	330	15,150	10
Abhishek Sharma	February 17, 2022	198	10	Cash	Private Placement	198	15,150	10
Madhvendra Chandra	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Ankush Gupta	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Pranay Barapatre	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Saruchi Arora	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Amit Grover	February 17, 2022	66	10	Cash	Private Placement	66	15,150	10
Shalini Tyagi	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Ashok Khushal	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Kaji Mohammad Arshad Hussain	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Priya Rajiv Bhale	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Bhavana Sarin	February 17, 2022	66	10	Cash	Private Placement	66	15,150	10

Name of the shareholder of preference shares	Date of acquisition of preference shares	Number of preference shares acquired	Face value per preference share	Nature of consideration	Nature of transaction	Number of Equity Shares allotted post conversion	Acquisition price per preference share	Price per Equity Share (based on conversion)
Prime Clinic	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Sonali Chakrabarty Singh	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Ajay Kumar Giri	February 17, 2022	21	10	Cash	Private Placement	21	15,150	10
Sai Prasad G	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Sanjeev Chopra	February 17, 2022	66	10	Cash	Private Placement	66	15,150	10
Nilesh Rajendra Dandekar	February 17, 2022	66	10	Cash	Private Placement	66	15,150	10
Surendra Kumar	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Nikhil Tripathi	February 17, 2022	66	10	Cash	Private Placement	66	15,150	10
Rashi Sapra	February 17, 2022	33	10	Cash	Private Placement	33	15,150	10
Sunita Chaudhary	February 17, 2022	66	10	Cash	Private Placement	66	15,150	10
Sandeep Kapoor	July 12, 2022	66	10	Cash	Private Placement	66	15,150	10
Rahul Khattar	July 12, 2022	33	10	Cash	Private Placement	33	15,150	10
Ruchika Malik	July 22, 2022	108	10	Cash	Private Placement	129	15,150	10
Ramesh Chand Grover	July 12, 2022	99	10	Cash	Private Placement	99	15,150	10
Agility Ventures Fund	April 29, 2023	827	10	Cash	Private Placement	827	23,942.75	10
3F Ventures Partners II LLP	April 29, 2023	209	10	Cash	Private Placement	209	23,942.75	10
Z21 Ventures Fund	October 06, 2023	355	10	Cash	Private Placement	355	23,948	10
Shruti Tulsyan	November 03, 2023	35	10	Cash	Private Placement	35	23,948	10
<b>Total</b>		<b>19,132</b>				<b>19,132</b>		

**Note:**

1. The conversion of the aforementioned CCPS was approved at the Board of Directors meeting held on September 30, 2024
2. The Company has allotted one equity share for each CCPS held i.e in the ratio of 1:1
3. Consideration was paid at the time of allotment of the compulsory convertible preference shares of face value ₹10 each. Accordingly, no consideration was paid at the time of conversion of such compulsory convertible preference shares of face value ₹10 each into Equity Shares on September 30, 2024.

**2. Details of Equity Shares issued for consideration other than cash:**

Except as disclosed below, our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Draft Prospectus.

Date of allotment	Number of Shares allotted	Face value per Share (₹)	Nature of Allotment	Nature of Consideration
September 30, 2024	2,07,39,600	10	Bonus Issue	Other than Cash

*For details of the names of allottees see-chapter titled Capital Structure-Equity Shares Capital History of our Company on Page 75*

**3. Issue of Equity Shares under Sections 230 to 234 of the Companies Act, 2013**

Our Company has not issued or allotted any Equity Shares pursuant to any scheme of arrangement approved under sections 230-234 of the Companies Act 2013.

**4. Equity Shares issued pursuant to Employee Stock Option Scheme**

Our Company adopted the Earkart ESOP Scheme (“**ESOP Scheme**”) pursuant to the resolution passed by our Board on March 28, 2025, and the resolution passed by our Shareholders’ on April 21, 2025. The ESOP Scheme is in compliance with the SEBI Regulations and other applicable laws. Further, all grants of ESOPs under the ESOP Scheme are in compliance with the SEBI Regulations, to the extent applicable and the Companies Act, 2013.

From the date of adoption of the ESOP Scheme up to the date of this Draft Prospectus, our Company has not allotted any equity shares pursuant to the Scheme.

**5. Issue of Equity Shares which may be at a price lower than Issue price in the last one (1) year**

Except as disclosed in “Capital Structure” – Share Capital History of our Company on page 75 our Company has not issued any Equity shares at a price that may be lower than the Issue Price during the last one year from the date of this Draft Prospectus.

*[Remainder of this page has been left intentionally blank]*

## 6. Shareholding Pattern of our Company:

The table below presents the current shareholding pattern of our Company as on the date of this Draft Prospectus:

Category Code	Category of shareholder	No. Of shareholders	No. of fully paid up equity shares held of face value of ₹10 each	No. of Partly paid up equity shares of face value of ₹10 each held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital)	Number of locked in Shares <sup>***</sup>		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								As a % of (A+B+C2)	Equity Shares of face value of ₹10 each	Other Class	Total		As a % of (A+B+C2)	No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
I	II	III	IV	V	VI	VII= IV+ V+ V I	VIII	IX				X	XI= VII+ X	XII		XIII		XIV
(A)	Promoter and Promoter Group	5	82,21,044	-	-	82,21,044	78.75%		82,21,044	-	82,21,044	78.75%	-	-	-	-	-	82,21,044
(B)	Public	37	22,17,888	-	-	22,17,888	21.25%		22,17,888	-	22,17,888	21.25%	-	-	-	-	-	21,59,148
(C)	Non-Promoter- Non Public	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
(D)	Shares underlying DRs	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
(E)	Shares held by Employee Trusts	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Total		42	1,04,38,932			1,04,38,932	100%		1,04,38,932	-	1,04,38,932	100%	-	-	-	-	-	1,03,80,192

Note:

1. As on date of this Draft Prospectus, one (1) Equity Share of face value of ₹10 each holds one (1) vote.
2. We have only one class of Equity Share of face value of ₹10 each.

**\*\*Shall be locked in on or before filling of Prospectus with BSE Limited.**



## 7. Details of Equity shareholding of major shareholders of our Company

- a. Set forth below is a list of Shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as on the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held of face value of ₹10 each	% of the pre-Issue equity share capital
1)	Rohit Misra	79,04,397	75.72%
2)	Ashneer Grover	6,11,659	5.86%
3)	Blume Ventures India Fund IV	4,17,557	4.00%
4)	Sushma Ninad Shah	1,94,337	1.86%
5)	Abhishek Sharma	1,60,733	1.54%
6)	Lead Angels Fund	1,49,339	1.43%
7)	Monika Misra	1,34,692	1.29%
8)	Agility Ventures Fund	1,24,877	1.20%
<b>Total</b>		<b>96,97,591</b>	<b>92.90%</b>

- b. Set forth below is a list of Shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of 10 days prior to the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held of face value of ₹10 each	% of the pre-Issue equity share capital
1)	Rohit Misra	79,04,397	75.72%
2)	Ashneer Grover	9,31,972	8.93%
3)	Sushma Ninad Shah	1,94,337	1.86%
4)	Abhishek Sharma	1,60,733	1.54%
5)	Lead Angels Fund	1,49,339	1.43%
6)	Monika Misra	1,34,692	1.29%
7)	Agility Ventures Fund	1,24,877	1.20%
<b>Total</b>		<b>96,02,347</b>	<b>91.97%</b>

- c. Set forth below is a list of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them, as of one year prior to the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held of face value of ₹10 each	% of the pre-Issue equity share capital
1)	Rohit Misra	47,576	95.15%
2)	Priyadarshi Jha	1,544	3.09%
<b>Total</b>		<b>49,120</b>	<b>98.24%</b>

- d. Set forth below is a list of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them, as of two years prior to the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held of face value of ₹10 each	% of the pre-Issue equity share capital
1)	Rohit Misra	47,576	95.15%
2)	Priyadarshi Jha	1,544	3.09%
<b>Total</b>		<b>49,120</b>	<b>98.24%</b>

8. Our Company presently does not intend or propose to alter its capital structure for a period of six (6) months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further

issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if business needs of our Company so require, our Company may alter the capital structure by way of split/ consolidation of the denomination of the Equity Shares/ issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential Offer of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Offer or from the date the application moneys are refunded on account of failure of the Offer, after seeking and obtaining all the approvals which may be required.

## 9. History of build-up of Promoters shareholding and Lock-in of Promoters shareholding (including Promoters' contribution):

### a) History of build-up of Promoters' shareholdings.

As on the date of this Draft Prospectus, our Promoters hold 80,39,089 Equity Shares which constitutes 77.01% of the pre-Issue issued, subscribed and paid-up Equity Share Capital of our Company. Further, none of the Equity Shares held by our Promoters are pledged.

#### (i) Rohit Misra

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (₹)	Issue / Acquisition / Transfer price per Share (₹)	Nature of Consideration (Cash/Other than Cash)	Nature of Transactions	% of Pre- Offer Equity Share Capital	% of Post- Offer Equity Share Capital	
October 11, 2021	48,302	10	10	Cash	Transfer <sup>(1)</sup>	0.46%	0.35%	
January 07,2022	(726)	10	Nil	Cash	Transfer <sup>(2)</sup>	(0.01)%	(0.01)%	
September 30, 2024	3,699	10	N.A	N.A	Conversion of CCPS into Equity <sup>(3)</sup>	0.04%	0.03%	
<b>Total Pre- Split Shares</b>	<b>51,275</b>	<b>10</b>						
Pursuant to a resolution passed by our Board dated September 30, 2024, and a special resolution passed by our Shareholders at an EGM on September 30, 2024, the existing equity shares of face value of ₹10 each were sub-divided into equity shares of face value of ₹5 each.								
<b>Total Post- Split Shares</b>	<b>1,02,550</b>	<b>5</b>						
September 30, 2024	1,53,82,500	5	Nil	N.A.	Bonus <sup>(4)</sup>	73.68%	55.92%	
December 13, 2024	3,23,744	5	7	Cash	Transfer <sup>(5)</sup>	3.10%	2.35%	
<b>Total Pre- Consolidation</b>	<b>1,58,08,794</b>	<b>5</b>						
Pursuant to a resolution passed by our Board dated January 31, 2025 and a special resolution passed by our Shareholders at an EGM on February 03, 2025, the existing equity shares of face value of ₹5 each were consolidate into equity shares of face value of ₹10 each.								
<b>Total Post- Consolidation</b>	<b>79,04,397</b>	<b>10</b>						
<b>Total</b>	<b>79,04,397</b>	<b>10</b>					<b>75.72%</b>	<b>57.47%</b>

All the Equity shares held by our promoter were fully paid up as on respective dates of acquisition of such Equity Shares

#### Notes:

1. Transfer of 23,456 Equity shares from Priyadarshi Jha and 24,846 Equity Shares from Shailendra Yadav
2. Transfer of 242 Equity shares to Monika Misra Transfer 242 Equity Shares to Devyansh Misra and Transfer of 242 Equity Shares to Aditya Misra as a gift.
3. Equity Shares allotted pursuant to conversion of CCPS in to Equity Shares
4. Issue of Bonus shares in the Ration of 150 Equity shares for Every 1 Equity shares held i.e 150:1
5. Transfer of 3,23,744 Equity Shares from Priyadarshi Jha

(ii) **Monika Misra**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (₹)	Issue / Acquisition / Transfer price per Share (₹)	Nature of Consideratio n (Cash/Other than Cash)	Nature of Transactions	% of Pre- Offer Equity Share Capital	% of Post- Offer Equity Share Capital	
January 07, 2022	242	10	Nil	N.A	Transfer <sup>(1)</sup>	Negligible	Negligible	
September 30, 2024	650	10	N.A.	N.A.	Conversion of CCPS into Equity <sup>(2)</sup>	0.01%	Negligible	
<b>Total Pre-Split Shares</b>	<b>892</b>	<b>10</b>						
Pursuant to a resolution passed by our Board dated September 30, 2024, and a special resolution passed by our Shareholders at an EGM on September 30, 2024, the existing equity shares of face value of ₹10 each were sub-divided into equity shares of face value of ₹5 each.								
<b>Total Post-Split Shares</b>	<b>1,784</b>	<b>5</b>						
September 30, 2024	2,67,600	5	Nil	N.A.	Bonus <sup>(3)</sup>	2.56%	1.93%	
<b>Total Pre- Consolidation</b>	<b>2,69,384</b>	<b>5</b>						
Pursuant to a resolution passed by our Board dated January 31, 2025 and a special resolution passed by our Shareholders at an EGM on February 03, 2025, the existing equity shares of face value of ₹5 each were consolidate into equity shares of face value of ₹10 each.								
<b>Total Post- Consolidation</b>	<b>1,34,692</b>	<b>10</b>						
<b>Total</b>	<b>1,34,692</b>	<b>10</b>					<b>1.29%</b>	<b>0.98%</b>

*All the Equity shares held by our promoter were fully paid up as on respective dates of acquisition of such Equity Shares*

**Notes:**

1. Transfer of 242 Equity Shares from Rohit Misra as a gift.
2. Equity Shares allotted pursuant to conversion of CCPS in to Equity Shares
3. Issue of Bonus shares in the Ratio of 150 Equity shares for Every 1 Equity shares held i.e. 150:1

- b) All Equity Shares of face value of ₹10 each held by our Promoters and Promoter Group in the Company are in dematerialized form as on the date of this Draft Prospectus.

**c) Details of Lock-in:**

1. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018 an aggregate of 20.00% of the post Issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of commencement of commercial production or date of allotment, whichever is later. 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.

Our Promoters i.e. [●] has granted their consents to include such number of Equity Shares held by them as may constitute [●] of the post-Offer Equity Share Capital of our Company as Promoter's Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above

Date of allotment	Date when made fully paid up	No. of Shares	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total (A)</b>						[●]

We further confirm that the aforesaid minimum Promoter's Contribution of 20.00% 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 i.e Rohit Misra and Monika Misra during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.
- The Equity Shares held by the Promoters and offered for minimum Promoter's Contribution are not subject to pledge with any creditor.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by the Promoters, as specified above, can be pledged as a collateral security for a loan granted by a schedule commercial bank or a public financial institution or a systematically important non-banking finance company or a housing finance company, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

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

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

Further, pursuant to Regulation 243 of the SEBI (ICDR) Regulations, 2018 the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person (including promoters and promoters group) holding the equity shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, along with the equity shares proposed to be transferred, provided that lock-in on such equity shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended and in compliance with the Takeover Code, as applicable.

## **2. Details of share capital locked in for one year**

In terms of Regulation 236, 237 and 238 of the SEBI ICDR Regulations, fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and remaining fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer. The entire pre-issue equity share capital held by persons other than promoters of our Company i.e. Promoter Group members and Public shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**Details of the shareholding of our Promoters and members of the Promoter Group is as below:**

Our Promoters and Promoter Group holds 78.75% of the pre-Offer Equity Share capital of our Company. Except as stated below, our Promoters and the members of our Promoter Group do not hold any Equity Shares in our Company as on date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Pre-Issue Equity Share capital		Post-Issue Equity Share capital	
		No. of Equity Shares of face value of ₹10 each held	% of paid-up Equity Share of capital	No. of Equity Shares of face value of ₹10 each held	% of paid-up Equity Share capital
A. Promoters:					
1.	Rohit Misra	79,04,397	75.72%	75,70,397	55.04%
2.	Monika Misra	1,34,692	1.29%	1,34,692	0.98%
Total (A)		80,39,089	77.01%	77,05,089	56.02%
B. Promoters Group:					
1.	Rashmi Tyagi	98,452	0.94%	98,452	0.72%
2.	Devyansh Misra	44,092	0.42%	44,092	0.32%
3.	Aditya Misra	39,411	0.38%	39,411	0.29%
Total (B)		1,81,955	1.74%	1,81,955	1.30%
Total (A+B)		82,21,044	78.75%	78,87,044	57.34%

4. None of the Equity Shares held by our Promoters and the members of our Promoter Group are pledged or otherwise encumbered.
5. As on the date of filing of this Draft Prospectus, our Company has 42 (Forty Two) Shareholders.
6. Except as disclosed in “Our Management” on page 169, none of the Directors, Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Draft Prospectus.
7. There are no financing arrangements whereby the members of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Issuer during the period of 6 (six) months immediately preceding the date of filing this Draft Prospectus.
8. Our Company, our Directors and the LM have not entered into any buy-back or similar arrangements for the purchase of Equity Shares of our Company, offered through this Draft Prospectus from any person.
9. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.
10. Our Company adopted the Earkart ESOP Scheme (“**ESOP Scheme**”) pursuant to the resolution passed by our Board on March 28, 2025, and the resolution passed by our Shareholders’ on April 21, 2025. The ESOP Scheme is in compliance with the SEBI Regulations and other applicable laws. Further, all grants of ESOPs under the ESOP Scheme are in compliance with the SEBI Regulations, to the extent applicable and the Companies Act, 2013.
11. The LM and their associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus. The LM and their respective 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 receive customary compensation.
12. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Prospectus.

13. Except disclosed below there have been no acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoters and Promoter Group:

Name of the Shareholder	Category	Date of acquisition of Equity Shares	Nature of Transaction	No. of Equity Share acquired	Acquisition price per Equity Share (₹)
Rohit Misra	Promoter	September 30, 2024	Conversion of CCPS to Equity in the Ratio of 1:1	3,699	N.A.
		September 30, 2024	Bonus Issue	15,38,2500	N.A.
		December 13, 2024	Transfer from Priyadarshi Jha	3,23,744	7.00
Monika Misra	Promoter	September 30, 2024	Conversion of CCPS to Equity in the Ratio of 1:1	650	N.A.
		September 30, 2024	Bonus Issue	2,67,600	N.A.
Devyansh Misra	Promoter Group	September 30, 2024	Conversion of CCPS to Equity in the Ratio of 1:1	50	N.A.
		September 30, 2024	Bonus Issue	87,600	N.A.
Aditya Misra	Promoter Group	September 30, 2024	Conversion of CCPS to Equity in the Ratio of 1:1	19	N.A.
		September 30, 2024	Bonus Issue	78,300	N.A.
Rashmi Tyagi	Promoter Group	September 30, 2024	Conversion of CCPS to Equity in the Ratio of 1:1	652	N.A.
		September 30, 2024	Bonus Issue	1,95,600	N.A.
Mulk Raj Soneja	Promoter Group	September 21, 2024	Transfer from Shailendra Yadav	154	23,948
		September 30, 2024	Bonus Issue	46,200	N.A.

**Note:**

Consideration was paid at the time of allotment of the compulsory convertible preference shares of face value ₹10 each. Accordingly, no consideration was paid at the time of conversion of such compulsory convertible preference shares of face value ₹10 each into Equity Shares on September 30, 2024.

14. The Average cost of Acquisition of shares by our promoters is set forth in the table below:

Sr. No.	Name of Promoters	No. of shares Held	Average cost of Acquisition
1.	Rohit Misra	79,04,397	₹0.35
2.	Monika Misra	1,34,692	Negligible

15. An applicant cannot make an application more than the number of Equity Shares being issued through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

16. The LM, our Company, members of the Syndicate, our Directors, our Promoters, our Promoter Group and/ or any person connected with the Offer shall not offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, except for fees or commission for services rendered relation to the Offer to any Applicant, for making an Application.
17. Except as disclosed in “Capital Structure-Notes on the Capital Structure” on page 75 our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
18. Except for the allotment of Equity Shares pursuant to the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Prospectus until the Equity Shares to be issued pursuant to the offer have been listed or all application monies have been refunded or the application monies are unblocked by ASBA Accounts on account of non-listing Non listing, under subscription , as the case may be.
19. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI ICDR Regulations.
20. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, 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 to ensure that 20% of the Post Offer paid-up capital is locked-in.
21. 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 LM and the Designated Stock Exchange.
22. The unsubscribed portion in any reserved category, if any, may be added to any other reserved category.
23. Under Subscription, if any, in any category, shall be met with spill- over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the designated Stock Exchange.
24. There are no Equity Shares against which depositories receipts have been issued.
25. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
26. As per RBI regulations, OCBs are not allowed to participate in this Offer.
27. Our Company has not raised any bridge loans against the proceeds of the Offer.
28. Our Company shall comply with such disclosures and accounting norms as may be specified by stock exchange, SEBI and other regulatory authorities from time to time.
29. Except to the extent of offer for sale by the Promoter Selling Shareholders, Our Promoters and Promoter Group will not be allowed to participate in this Offer.
30. This Offer is being made through Fixed Price method.
31. There are no safety net arrangements for this Public Offer.
32. All transactions in Equity Shares by our Promoters and members of the Promoter Group, if any, between the date of filing of the Draft Prospectus and the Offer Closing Date will be reported to the Stock Exchange within 24 hours of such transactions being completed.

33. Neither our Company nor any of its Promoter Group or any other related entities have been involved in the act of money mobilization in any manner. Further, no regulatory authority or agency has at any time sought any information in any manner.

[The remainder of this page has intentionally been left blank]



## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 33,15,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] lakhs and an Offer for Sale of 3,34,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] lakhs by the Promoter Selling Shareholder.

### Offer for Sale

The Promoter Selling shareholder will be entitled to the proceeds of the Offer for Sale after deducting its respective proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

### Fresh Issue

The net proceeds of the Fresh Issue, i.e. gross proceeds of the Fresh Issue less the issue expenses apportioned to our Company ("Net Proceeds") are proposed to be utilized in the following manner:

- 1) Funding incremental working capital requirements of our Company;
- 2) Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.
- 3) General Corporate Purposes

### *(Collectively referred as the "Objects")*

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

(₹ in lakhs)	
Particulars	Amount
Gross proceeds from the Fresh Issue <sup>#</sup>	[●]
(Less) Fresh Issue related expenses*	[●]
<b>Net proceeds from the Fresh Issue</b>	<b>[●]</b>

<sup>#</sup>To be finalized upon determination of the Offer Price and will be updated in the Prospectus at the time of filing with the RoC.

\*M/s. Timsi and Associates, Chartered Accountants, (Firm Registration No.: 020141C) Statutory Auditor have vide certificate dated May 30, 2025 confirmed that the Company has incurred a sum of ₹23.18 lakhs towards issue expenses.

### Utilization of Net Proceeds and Schedule of Deployment

As estimated by our management, the entire proceeds from the Fresh Issue shall be utilized as follows:

(₹ in lakhs)			
Particulars	Total Funds	Estimated deployment	
		Fiscal 2026	Fiscal 2027
Funding incremental working capital requirements of our Company	2,110.13	2,110.13	-

Particulars	Total Funds	Estimated deployment	
		Fiscal 2026	Fiscal 2027
Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.	1,733.26	726.56	1,006.70
General Corporate Purposes <sup>#</sup>	[●]	[●]	[●]

<sup>#</sup>To be finalized upon determination of the Offer Price and updated in the Prospectus at the time of filing with the RoC.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial performance and market condition, expansion strategy, competition, government policies related to our business, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if required and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed shall not exceed 15% of the amount raised by our Company through the Fresh Offer or ₹10 crores whichever is lower.

### Means of Finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations.

### Details of the Objects

Our Board at its meeting held on June 10, 2025 approved the proposed Objects of the Offer and the respective amounts proposed to be utilized from the Net Proceeds for each object.

### Utilization of Net Issue Proceeds

The proposed utilisation of the Fresh Issue Proceeds is set forth in the table below:

(₹ in Lakhs)		
Sr. No.	Particulars	Amount
1)	Funding incremental working capital requirements of our Company	2,110.13
2)	Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.	1,733.26
3)	General Corporate Purposes*	[●]
	<b>Total</b>	[●]

\*The amount to be utilized for general corporate purposes will not exceed shall not exceed 15% of the amount raised by our Company through the Fresh Offer or ₹10 crores whichever is lower.

## Details of Utilization of Issue Proceeds

### 1. Funding incremental working capital requirements of our Company

Our company proposes to utilize ₹2,110.13 lakhs towards working capital in Fiscal 2026 of existing business including expansion of SIS. Our business is working capital intensive and we fund working capital requirements in the ordinary course of business from internal accruals/equity and borrowings from banks.

#### Assessment of Historical Working Capital Requirement

We Manufacture and distribute modern hearing aids and related accessories at affordable prices across India. Along with our own manufactured hearing aid, we also trade in hearing aid, parts and accessories of other brands manufactured in India and abroad.

In general course of business company need working capital to funds trade receivables and inventory. Company supply its products to Government, retailers, distributors and ENT/ophthalmic clinics where the company has witnessed average receivable days of 79 days from its customers from fiscal 2022 to fiscal 2024.

Also major funds are blocked in inventory of raw material required for manufacturing, company imports raw material which generally has lead time of 30 days to 45 days from placing an order till receipt of material. During the period from Fiscal 2022 to fiscal 2024, company has an average inventory days of 113 days. Company needs to maintain sufficient inventory levels to meet the demand from Government, retailers, distributors and ENT/ophthalmic.

#### Historical Working Capital

(₹ in Lakhs)

Particulars	Fiscal 2022 (Audited)	Fiscal 2023 (Audited)	Fiscal 2024 (Audited)	As on December 31, 2024 (Audited)
Trade Receivables	161.75	469.88	633.95	2,357.44
Inventories	74.78	549.15	621.59	352.84
Short-term Loans and Advances	153.27	215.26	168.30	45.64
Other Current Assets	22.48	57.98	128.35	70.37
<b>Total Current Assets</b>	<b>412.28</b>	<b>1,292.26</b>	<b>1,552.20</b>	<b>2,826.30</b>
Payables	50.34	584.04	105.98	504.04
Short-term Provisions	11.20	37.22	63.75	226.17
Other Current Liabilities	27.00	67.70	41.66	48.16
<b>Total current Liabilities</b>	<b>88.54</b>	<b>688.96</b>	<b>211.39</b>	<b>778.38</b>
<b>Working Capital Requirement</b>	<b>323.74</b>	<b>603.30</b>	<b>1,340.82</b>	<b>2,047.92</b>
<b>Funding Pattern</b>				
Borrowing	25.00	121.42	400.11	467.40
Internal Accruals	298.74	481.89	940.71	1,580.52
IPO Proceeds	-	-	-	-
<b>Total</b>	<b>323.74</b>	<b>603.30</b>	<b>1,340.82</b>	<b>2,047.92</b>

## Projected Working Capital

(₹ in Lakhs)

Particulars	Fiscal 2025 (Estimates)	Fiscal 2026 (Projected)
Trade Receivables	858.00	1,100.12
Inventories	751.52	1,019.23
Short-term Loans and Advances		
Other Current Assets	412.23	528.56
<b>Total Current Assets</b>	<b>2,021.75</b>	<b>2,647.91</b>
Payables	250.02	342.24
Short-term Provisions	152.51	195.54
Other Current Liabilities	-	-
<b>Total current Liabilities</b>	<b>402.53</b>	<b>537.85</b>
<b>Working Capital Requirement</b>	<b>1,619.22</b>	<b>2,110.13</b>
<b>Funding Pattern</b>		
Borrowing	625.00	-
Internal Accruals	994.22	-
IPO Proceeds	-	2,110.13
<b>Total</b>	<b>1,619.22</b>	<b>2,110.13</b>

## Key Assumptions for Working Capital Projections:

### Holding Level in Days

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	As on December 31, 2024	Fiscal 2025 (Estimates)	Fiscal 2026 (Projected)
Trade Receivables	104	59	73	194	71	71
Inventories	136	97	106	49	104	111
Other Current Assets*	113	34	34	10	34	34
Payables	32	74	12	42	21	22
Other Current Liabilities**	24	13	12	23	13	13

\*Other Current Assets includes short term loans and advances and other current assets

\*\*Other Current Liabilities includes short term provisions and other current liabilities

## Justification for Projected Working Capital Requirement:

In line with the strategic vision for sustained growth and nationwide expansion, the company has introduced the Shop-in-Shop (SIS) business model in Fiscal Year 2025 to scale up the operations across India. Under this model, the company partners with existing ENT clinics and practitioners through formal agreements. These partnerships enable the clinics to offer audiometry testing and retail hearing aid products manufactured by Earkart.

As part of the SIS initiative, the company installs its proprietary Earkart OMNI Audiometer (developed in-house) at the partner ENT clinics. The audiology tests are conducted remotely by qualified audiologists based at the company's headquarters. These professionals assess patients' hearing ability and recommend appropriate hearing aids, which can also be remotely configured based on the prescribed parameters.

To ensure accessibility and ease of adoption, the audiometry testing is done at the clinic for patient. Also, company bears the full cost of creating a soundproof room within the clinic for optimal testing conditions.

The SIS model was launched in April 2024 and as on date, Company operates 49 SIS clinics across 22 cities in 6 states and 2 Union Territories, including Uttar Pradesh (25 clinics), Rajasthan (5 clinics), Punjab (1 clinic), Haryana (1 clinic), Jharkhand (1 clinic), Delhi (9 clinic), Uttarkhand (6 clinics) and Chandigarh (1 clinic).

Building on the strong performance and positive outcomes from the existing SIS clinics, the company has planned expansion strategy. It proposed to launch 150 new clinics in Fiscal Year 2026.

To fund the existing as well as new SIS business, working capital requirement of the company will increase going forward, as the requirement increases company needs to maintain higher level of inventory for production to sustain the additional demand from SIS along with the growth in existing business.

**The table below sets forth the key assumptions and justifications for holding levels:**

Particulars	Assumption
<b>Current Assets</b>	
Receivable Days	Historically our receivable days was in the range of 59 to 194 days from fiscal 2022 to nine months' period ended December 31, 2024, our company has estimated receivable days for 71 days each for fiscal 2025 and fiscal 2026.
Inventory Days	Historically due to higher lead time in procurement of raw material, the inventory days' ranges from 49 to 136 days from fiscal 2022 to nine months' period ended December 31, 2024. Company has estimated the inventory levels to be 104 days for fiscal 2025 and 111 days for fiscal 2026.
Other Current Assets	Other Current Assets includes short term loans and advances and other current assets. Inconsistent with holding level in fiscal 2024, company has projected the other current liabilities days to be 34 days each for fiscal 2025 and fiscal 2026.
<b>Current Liabilities</b>	
Payable Days	Payable days are estimated to be 21 days and 22 days for fiscal 2025 fiscal 2026. We estimate to get higher payable cycle to ensure the consistent supply of raw material from suppliers due to increase in volumes.
Other Current Liabilities	Other Current Liabilities includes short term provision and other current liabilities. We have estimated this to be in sync with fiscal 2024 levels taking it to be 13 days each for fiscal 2025 and fiscal 2026.

## **2. Funding capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India and Setting up of Infrastructure for operational activities.**

We Manufacture and distribute modern hearing aids and related accessories at affordable prices across India. Along with our own manufactured hearing aid, we also trade in hearing aid, parts and accessories of other brands manufactured in India and abroad. In addition, we offer other products like adjustable foldable walkers and Multi-Sensory Integrated Educational Development (MSIED) and Teaching Learning Material (TLM) kits to support mobility and daily needs of physically challenged. Our mission is to make quality hearing care more accessible. We've developed a smart and easy-to-use remote audiometry machine that allows people to get tested and fitted for hearing aids from anywhere in the world. By combining advanced technology with a strong focus on customer needs, we aim to improve hearing care across India.

### **Rationale**

In Shop in Shop model (SIS), our company offers franchise to opticians and ENT clinics. This model operates on a profit-sharing basis, with the terms mutually agreed upon between the company and the ENT/Optical Clinic. This approach helps expand our geographical presence, makes audiology services more accessible, and boosts sales volume.

To provide audiology test, we install Earkart OMNI audiometer at the clinics and the test is remotely performed by our Audiologist sitting at our head office. We also fund cost of developing sound proof room and related infrastructure at the clinic used for audiology test.

The SIS model was launched in April 2024 and as on date, Company operates 49 SIS clinics across 22 cities in 6 states and 2 Union Territories, including Uttar Pradesh (25 clinics), Rajasthan (5 clinics), Punjab (1 clinic), Haryana (1 clinic), Jharkhand (1 clinic), Delhi (9 clinic), Uttarkhand (6 clinics) and Chandigarh (1 clinic).

EarKart aims to improve access to hearing care by providing affordable hearing aids and expanding audiology services in underserved regions. Our innovative solution, the EarKart OMNI, is a portable, tablet-operated audiometer designed to work anywhere. Manufactured in India, the device is supported by a custom CRM platform for efficient patient management, helping to bridge the gap in hearing care accessibility both in India and globally.

OMNI is a compact, all-in-one audiology device that transforms any ENT clinic, urban or rural into a fully equipped, modern hearing care centre. Seamlessly integrating Remote Audiometry, Impedance Audiometry, Otoacoustic Emissions (OAE) testing, and the latest in Remote Hearing Aid Programming, OMNI is advance, plug-and-play audiology solution.

With OMNI installed at local ENT clinics, patients in underserved areas can now benefit from:

- Newborn hearing screening
- Pediatric and adult audiometry
- Real-time consultations with expert audiologists
- Remote hearing aid selection and programming

The Company plans to increase its presence across India through Shop-in-Shop (SIS) model. This initiative focuses on partnering with optical stores and ENT clinics across India to deliver accessible hearing care solutions. By leveraging OMNI device and offering hearing tests, hearing aid at same clinic, Earkart aims to attract a steady customer base while fostering a sustainable business model for its franchisees. The program is designed to capitalize on long-term growth opportunities, supported by repeat customers and the rising demand for hearing aids. For further details, see “Our Business – Our Strategies” on page 135.

Our Company proposes to launch 510 SIS clinic across India with a planned investment of ₹1,733.26 lakhs. This investment will support to launch 150 new SIS clinics scheduled to open in Fiscal 2026 and 360 new SIS clinics targeted for launch in Fiscal 2027.

The expansion plan has been approved by our Board of Directors through a resolution dated June 10, 2025

CARE Analytics and Advisory Private Limited (“CAAPL”) has been appointed for evaluation of capital expenditure requirements for setting of Shop in Shop (SIS) Business Model in ENT/Ophthalmic Clinics across India.

Our Company intends to make capital expenditure towards launch of 510 SIS clinics by fiscal 2027. Our Company proposes to use part of net proceeds to the extent of ₹1,733.26 Lakhs for 510 SIS clinics as per the Quotations received from various vendors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

**The Summary of estimated cost is as below:**

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Hearing Aid Analyser	23.57
2.	OMNI Audiometer	1,426.15
3.	Hearing Diagnostic Equipment's	21.57
4.	IT Hardware	78.93
5.	Setting up of Infrastructure for operational activities (At new office premises)	183.04
<b>Total</b>		<b>1,733.26</b>

The detailed break-down of these estimated costs is as below: *(for setting of Shop in Shop (SIS) Business Model)*

**Hearing Aid Analyser**

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (in US \$)	Estimated Cost (in US \$)
Frye Electronics INC.	May 20, 2025 (Validity 6 Months)	FONIX 8000 Hearing Aid Analyser	8000	1	12,580.75	12,580.75
		8050 Compact Sound Chamber	FC8050-2	1	5,633.09	5,633.09

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (in US \$)	Estimated Cost (in US \$)
(Country of Origin USA)		M3058E Microphone 8K 18”, RoHS(w/Enhanced Mic Head)	M3058E		1,190.00	1,190.00
		Cord/Power/Type-D/ India and South Africa/240V-10 AMP	072-0014-00	1	52.50	52.50
		Software/Version 3.00 For 8000 Analyser (English)	8000 V3.00E	1	0.00	0.00
		ANSI 2014 Test Sequences w/Telewand	8000 ANSI	1	577.50	577.50
		Included IEC1994 & 2005 Test Sequences	8000 IEC/Free	1	0.00	0.00
		8000 IS16127 Test Sequences	8000 IS 16127	1	577.50	577.50
		Battery Simulator Pill #13-12 in. Orange (Auto detecting)	059-3005-00	10	73.50	735.00
		Battery simulator Pill #675-12 In. Blue (Auto detecting)	059-3004-00	5	73.50	367.50
		Battery simulator Pill #10-12 in. Yellow (Auto detecting)	059-3010-00	2	73.50	147.00
		M3058E Microphone 8K, 18", RoHS (w/Enhanced Mic Head)	M3058E	4	1,190.00	4,760.00
		Coupler/HA-2 Assembly ®	044-1029-01	2	94.50	189.00
		Adapter, BTE Coupler Assembly (Ear Level Aid) ®	044-1003-00	1	31.50	31.50
		Calibrator/AC-300/114dB (Special Order only)Ø	030-0004-01	1	800.00	800.00
		Cable, FPI, (Frye Peripheral Interface) 10 FT/8000	119-0282-00	1	122.50	122.50
Total (in US \$)						27,763.84
Conversion Rate of 1 USD=84.9004 as on May 26, 2025 (INR/USD)						84.9004
Total in INR (₹ in Lakhs)						23.57

*Note: The above-mentioned cost is excluding of GST and Import duty.*

#### OMNI Audiometer

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
Arphi Electronics Private Limited	May 27, 2025 (Validity 6 Months)	<b>Audiometer:</b> Air-conduction with passive attenuation circumaural headphones. Bone Conduction with	Customised Model	510	<b>2,49,600</b>	<b>1,272.96</b>

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
		RadioEar bone vibrator.  <b>• Special Test:</b> Tone Decay & Speech Test. Masking: NBN in Pure Tone Audiometry, White Noise and Speech Noise in Speech test.  <b>Impedance</b>  Probe Tone Reflexes: I psi & Contra reflexes_ ETF: ETF Intact  <b>OAE</b>  DPOAE screener: 3 configurable; Passing Frequencies for Test pass: <b>Video Oscope</b> High Quality Video & Picture capture				
<b>Total (A)</b>						<b>1,272.96</b>
<b>Sharda Network Systems</b>	May 28, 2025 (Validity 6 Months)	Samsung Galaxy a9+ 5G Tablet With Original Samsung 25 Watt Adapter & Screen Protector	-	510	17,956	91.58
GST @ 18.00%						16.48
<b>Total (B)</b>						<b>108.06</b>
<b>CADx Tools and Technologies Private Limited</b>	May 27, 2025 (Validity 6 Months)	Tablet Casing	-	510	7,500	38.25
GST @ 18.00%						6.88
<b>Total (C)</b>						<b>45.13</b>
<b>Total (A+B+C)</b>						<b>1,426.15</b>

#### Hearing Diagnostic Equipment's

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
		IHS BERA Duet	-	1	12,45,000	12.45



Meditechnica Healthcare OPC Private Limited	May 20, 2025  (Validity 6 Months)	Interacoustics AD 528 Audiometer	-	1	2,14,000	2.14
		Interacoustics AT 235 Impedance	-	1	3,60,000	3.60
		Otoread OAE DP TE Screener	-	1	2,35,000	2.35
		Total (₹ in Lakhs)				
Add: GST @5.00%						1.03
Total						21.57

## IT Hardware

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
Cinchis Digital IndiaPrivate Limite	May 21, 2025 (Validity 6 Months)	24 Port Jack Panel Loaded	D-Link	10	2,100	0.21
		Cable Manager	D-Link	10	250	0.025
		Aruba 24 Port Non POE ( JL812 )	Aruba	8	17,000	1.36
		Aruba 24 Port POE 370 Watt ( JL684 )	Aruba	2	49,000	0.98
		Patch Cord 1 Meter	D-Link	350	120	0.42
		Patch Cord 2 Meter	D-Link	50	140	0.07
		Access Point Aruba AP 25 - 100 User	Aruba	6	29,000	1.74
		6 TB HDD AV	WD	1	12,800	0.128
		Dynamic make 42u 800x1000 mm floor mount server rack with front glass door rear ms door removable side panels with wheels - Pdu 12 socket 5/15 amp with mcb, Fan tray +4 fan, Shelf , Cable manager , Hardware pack of 10	Dynamic	2	35,000	0.70
		HP 440 G9 I5 12th/16/512 SSD Win 11 pro 3 yrs	HP	30	68,000	20.40
		HP 440 G9 I7 12th/16/512 SSD Win 11 pro 3 yrs ZBOOK Firefly 14 G11 A1VL0PT intel U7-155H 16GB (1x16GB) DDR5 1TB SSD NVIDIA Quadro RTX A500 4GB Windows 11 Professional 14" WUXGA	HP	10	82,000	8.20

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
		(1920x1200) AG 300nits, FPR, 5MP+IR Cam 3yr Onsite warranty				
		ZBOOK FIREFLY 14 G11 A1VL0PT intel U7-155H 16GB (1x16GB) DDR5 1TB SSD NVIDIA Quadro RTX A500 4GB Windows 11 Professional 14" WUXGA (1920x1200) AG 300nits, FPR, 5MP+IR Cam 3yr Onsite warranty		10	1,15,000	11.50
		Hp 240 G9 I5 12th, 512 ssd, 8gb ram, windows 11 pro, with Bag.	HP	40	52,000	20.80
		Server PowerEdge T550 " Intel Xeon Silver 4310 2.1G, 12C/24T, 10.4GT/s, 18M Cache, Turbo, HT (120W) DDR4-2666,16 DIMMS, 4x x 32GB RDIMM, Up to 8, 3.5" Hot Plug Hard Drives, Tower, 3x960GB Solid State Drive SATA Read Intensive 6Gbps 512e 2.5in Hot-Plug, PERC H 755 Controller, Dual Hot-plug PS,800W,iDRAC9,Enterprise,3 YR ProSupport 4Hr and Mission Critical 1		1	3,80,000	3.80
		DTK-06D-3P(BK)TEL DT500 Digital 06 Keys Telephone (Black)		1	7,100	0.07
		DTK-12D-3P(BK)TEL DT500 Digital 12 Keys Telephone (Black)		1	8,450	0.08
		DTK-24D-3P(BK)TEL DT500 Digital 24 Keys Telephone (Black)		1	10,000	0.10

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
		DCK-60-2P(BK) DSS Console - 60 Keys Direct Station Selection Console (Blk)		1	13,000	0.13
		Beetel Basic CLI Phone [C-51]		100	1,000	1.00
		Beetel CLI Phone with Speaker & Memory Keys [M-71]		25	1,800	0.45
		Panasonic CLI Phone with Speaker Facility [KX-TS62SX]		50	1,950	0.98
		Panasonic CLI Phone with Speaker [KX-880MX]		25	3,000	0.75
		2MP Dome Camera HD		25	1,080	0.27
		4 MP Bullet Camera HD		25	2,150	0.54
		32 Channel DVR		2	18,500	0.37
		Access Control for 200 User		3	17,200	0.52
		Accessories L bracket + U bracket Face Reader EM Lock Push Button Door Controller with 200 Users Access cards		3	5,000	0.15
		HP Laser MFP 1188A Multi-Function Monochrome Laser Printer with 2-Line LCD Display (cis Sensor, White)		5	13,200	0.66
		HP Color Laser MFP 178nw Printer		5	31,400	1.57
		Printer HP 126NW		1	18,500	0.19
		Punching, Termination and installation, of I/O, faceplate, Patch Panel, labelling, on cables Between Patch Panel,	Service	200	125	0.25
		Fluke Testing & Scanning Report Of Network Connectivity		200	125	0.25
		Rack Dressing		1	4,500	0.05
		Wifi Installation and configuration		1	2,500	0.03

Vendor Name	Date and Validity of Quotation	Item Descriptions	Serial No. / Model No.	No. of Quantity	Rate Per Unit (In Rs.)	Estimated Cost (₹ in Lakhs)
		CCTV Installation and configuration		1	400	0.00
		Installation Accessories, Like MDF Box with Krone Module, CAT-6, Cable, Connectors, Patch Cord as per system configuration, etc.		1	10,000	0.10
		Installation for Access Control Door Lock		1	10,000	0.10
<b>Total</b>						<b>78.93</b>

### Civil & Interior infrastructure work

The company has entered into lease agreement for 13,000 Sq. ft. property located at 3<sup>rd</sup> Floor, KRBL Building, Plot No. C-32, Institutional Area, Noida, Gautam Budh Nagar, Sector 62, Noida 201301, Uttar Pradesh with “KRBL Infrastructure limited” (owner). The owner has undertaken to conduct Civil & Interior infrastructure work at the property before renting it out to the company, cost to be incurred for such work will be charged to the company as written in the lease agreement. For this arrangement, the company has entered into a tri-party agreement dated May 01, 2025 between the company (“Earkart Limited”), Owner (“KRBL Infrastructure Limited”) and the Contractor (“My 247 Services Private Limited”).

Wherein, the contractor’s scope of work as per the said tri-party agreement includes: “all civil works, electrical & network wiring, HVAC integration, Modular furniture, branding elements, lighting systems, false ceiling, flooring, finishing, plumbing adjustments, signage, and any other improvements as per the agreed plan.”

The quotation given by the Contractor is for area admeasuring 9,163 Sq. Ft. out of the total property measuring 13,000 Sq. ft. rented out by our company.

Sl. No.	Project Area (Sq. Ft.) Work Package	Scope of Works	Rate Per Sq.ft.	Total Amount
			(Rs.)	(Rs.)
1	Interior Works	100mm thick Gypsum Partition and Above Ceiling Partitions with 50mm thick 32kg Density Glass wool / Rockwool insulation.		43,86,853
		132mm thk Fire Rated Gypsum Partition for Critical Room.		
		45x25 mm Aluminum glazed partition with 10mm thk toughened glass (Black Powder coated )		
		Stile Glass Doors for enclosed areas & Laminated Flush Doors with Aluminum frame For wet areas and fire doors for critical rooms as per requirement.		
		Paint on Walls as per colours finalized using Premium Emulsion Paint & Texture paint as per Design.		
		Wall Finishes : Laminate Paneling ,Acoustic Paneling & Wallpaper as per Design.		
		PLPB Pelmet & Window cill		
		Roller Blind for all Area		
		Profile , Corner Guard & Skirting for all area.		
		Wall Tiles in Pantry & Toilet areas. Tile BR - 65/- Sqft		
2	Modular Furniture	As per Final layout and design.		13,38,115

Sl. No.	Project Area (Sq. Ft.) Work Package	Scope of Works	Rate Per Sq.ft.	Total Amount
			(Rs.)	(Rs.)
3	Chair	As per Final layout and design.		5,97,700
4	Loose Furniture	As per Final layout and design.		2,93,800
5	Built in Joinery	As per Final layout and design. (Reception Table , High Table in Breakout area, Pantry Counter with Granite Top, OHS, Vanity Counter in toilets)		1,62,464
6	False Ceiling	MR Grid Ceiling For Server ,Ups & Toilet Area And Open Painted Ceiling in Production ,Packing ,Store ,19 Pax ws & Breakout Area And Rest Area is Gypsum Ceiling as per ceiling plan.		12,90,000
7	Flooring	Carpet Flooring in Call Center Area ,Software IT WS ,Conference Room ,19 Pax WS ,Cabin 4 &5 and Finance WS Area And Designer Tile in Breakout Area ,And Rest Area is Tile Flooring BR-60/Sft & Raised Flooring in Critical Rooms as per Layout.		12,40,270
8	HVAC Low Side	AC Ducting, Insulation and Grill Diffuser		8,05,885
9	Electrical Works	Electrical work		9,29,500
10	Light Fixture	General and Task, Decorative Light Fixtures.		4,56,400
11	Fire Fighting Works	Fire Fighting Works :- Pendent layer of sprinkler for office, Side wall sprinkler for Guest room & façade protection Sprinkler considered.MS pipe with UL &FM approved Standard response sprinkler and flexible drops considered ( MS forged fittings upto 50 mm dia and welded fittings above 50mm Dia pipes)		10,91,870
12	Plumbing Work	Plumbing Work ( Internal Plumbing and sanitary fixtures only)		6,35,550
13	Networking (User end) Dlink Make	Networking (user end) D-link make 1D as mentioned.		8,27,355
14	ACS & Biometric System	Access control system		2,51,700
15	CCTV System	CCTV system		1,50,630
16	PA System	PA system		4,55,100
17	Fire Alarm System	Conventional fire alarm system		4,43,960
18	Server Room Split Ac 1.0tr and Toilet Exhaust System			75,000
19	PCC & Floor Levelling With IPS	Flooring of PCC 3"-4" Height Cement,Dust,Stone Chip with Floor Levelling 2-3mm OF IPS Flooring for 8482 sq feet area		7,55,428
20	Brick Wall	Brick Wall with two Side Palster 125mm Thick For 600 Sqft	225	1,35,000
21	Acoustic Panels	Ready Made Acoustic Panels 12*12 size for 2500 Sq feet area	210	5,25,000
22	Production Area	Area of 700 Sq feet as per design yet to be finalized	2,150	15,05,000
A	<b>Sub-Total</b>		-	<b>1,83,52,580</b>

Sl. No.	Project Area (Sq. Ft.) Work Package	Scope of Works	Rate Per Sq.ft.	Total Amount
			(Rs.)	(Rs.)
1	Housekeeping Work	Housekeeping Work		1,00,000
2	Design and Supervision Work	Design and Supervision Work		2,25,000
<b>Grand-Total</b>				<b>18,677,580</b>
B	<b>Site Specific Requirement</b>			
1	HVAC Work for Critical Area	2x6HP Outdoor units, VRV based Wall mounted indoor units, hard drawn copper refrigerant piping and associated air distribution arrangement & electrical work. (Low Side considered)		-
<b>Total</b>				<b>-</b>
<b>Grand Total ( A + B )</b>				<b>18,677,580</b>
<b>Special Courtesy Discount by Lifeasy Interior</b>				<b>3,73,552</b>
<b>Final Grand Total (In Rupees)</b>				<b>18,304,029</b>
<b>Amount in (Lakhs)</b>				<b>183.04</b>

The above figures are exclusive of GST and other taxes applicable if any.

**Notes:**

Quotation received from the vendor mentioned above is valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the Machinery or other works at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals.

All costs are based on the present estimates of management. The Management shall have the flexibility to revise such estimates including but not limited to changes in vendors, changes in machinery, modifications/additions/deletions to specifications at the time of actual placement of the order. In such cases, the Management can utilize any surplus proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other equipment, utilities, property adjustments, or related requirements as deemed necessary. Furthermore, if any surplus from the proceeds remains after meeting the total cost for the aforesaid purpose, the same will be used for general corporate purposes.

Our Company proposes to deploy the entire Net Proceeds towards the Objects. If the Net Proceeds are not utilized (in full or in part) for the Objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

We are not acquiring any second-hand machinery.

The quotations relied upon by us in arriving at the above estimated cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machinery proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost could be escalated on account of freight expenses, installation charges, packaging & forwarding, exchange rate fluctuations, custom duty etc. Such cost escalation would be met out of our internal accruals.

### 3. General Corporate Purpose

Our management will have flexibility to deploy ₹[●], aggregating to [●]% of the Gross Proceeds towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and strategic entity/business acquisitions, 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 offer 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 Draft Prospectus, proposed to be used for general corporate purposes, shall not exceed 15% of the amount raised by our Company through the Fresh Offer or ₹10 crores whichever is lower.

### Offer Related Expenses

The total Offer related expenses are estimated to be approximately ₹[●] lakhs. The Offer related expenses include fees payable to the Lead Manager, legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including any expenses for any previous listing attempt of Equity Shares, if any. Subject to applicable law, other than the fees paid to the legal counsel to the Promoter Selling Shareholder which will be paid by the Promoter Selling Shareholder, and other than listing fees which will be borne by our Company, all other costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Promoter Selling Shareholder, on a pro rata basis, in proportion to the number of Equity Shares, allotted by our Company in the Fresh Issue and sold by the Promoter Selling Shareholder in the Offer for Sale. Upon successful completion of the Offer and the receipt of listing and trading approvals from the Stock Exchange, the payment of all fees and expenses shall be made directly from the Public Offer Account. Any expenses paid by our Company on behalf of the Promoter Selling Shareholder in the first instance will be reimbursed to our Company, directly from the Public Offer Account. Appropriate details in this regard shall be included in the Cash Escrow and Sponsor Bank Agreement. In the event of withdrawal of the Offer or if the Offer is not successful or consummated, for any reason, all costs and expenses (including all applicable taxes) with respect to the Offer shall be borne by our Company and the Promoter Selling Shareholder to the extent of their respective proportion of such costs and expenses with respect to the Offer.

Activity	(₹ In Lakh) *	As a % of Estimates Offer Expenses	As a % of Offer Size
Lead Manager Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Registrar to the Offer	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Legal Advisors			
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for three years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	<b>100.00%</b>	[●]

a) \*M/s. Timsi and Associates, Chartered Accountants, (Firm Registration No.: 020141C) Statutory Auditor have vide certificate dated May 30, 2025 confirmed that the Company has incurred a sum of ₹23.18 lakhs towards issue expenses.

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

### Appraisal by Appraising Agency

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently

based on available management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Interim Use of Funds**

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the offer.

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

### **Monitoring Utilization of Funds**

As the size of the does not exceed ₹5,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year.

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

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

### **Special Tax Benefits**

For details regarding special tax benefits to the company and the shareholders, kindly refer the "*Statement of Tax benefits*" on Page No. 114 of this Draft Prospectus.



## **Other Confirmations**

Except for our Promoter i.e., Rohit Misra who will be receiving his portion of Offer proceeds (OFS), none of the other Promoter and Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel will receive any portion of the Offer Proceeds.

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management Personnel.

[The remainder of this page has intentionally been left blank]

## BASIS FOR OFFER PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the section titled “Financial Statements” beginning on pages 29, 135 and 191 respectively to have a more informed view. The offer price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his/their investment.

### QUALITATIVE FACTORS

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

- We have diversified client base ranging from government, to, clinics, retailers and doctors.
- Established and proven track record;
- Leveraging the experience of our Promoter;
- Experienced management team and a motivated Employees;
- Cordial relations with our client.

For further details, refer to heading ‘Our Strengths’ under chapter titled ‘Our Business’ beginning on page 135 of this Draft Prospectus.

### QUANTITATIVE FACTORS

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see “Restated Financial Statements” and “Other Financial Information” beginning on pages 191 and 229, respectively.

#### 1. Basic Earnings per Share (EPS) as per Accounting Standard 20:

Fiscal	Basic EPS (₹)	Diluted EPS(₹)	Weight
2022	0.07	0.05	1
2023	0.87	0.63	2
2024	2.03	1.46	3
<b>Weighted Average</b>	<b>1.32</b>	<b>0.95</b>	-
<b>December 31, 2024<sup>^</sup></b>	<b>2.41</b>	<b>2.41</b>	-

<sup>^</sup>Not Annualised

#### Notes:

- 1) Basic EPS is calculated as restated profit for the year/period attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year/ period.
- 2) Diluted EPS is calculated as restated profit for the year/period attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year/ period and the weighted average number of Equity Shares that could have been issued upon conversion of all dilutive potential Equity Shares.
- 3) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/total of weights.
- 4) Basic and diluted earnings/(loss) per share: Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) read with the requirements of SEBI ICDR Regulations.

#### A. Price/Earnings (“P/E”) ratio in relation to Offer Price to ₹[●]:

Particulars	P/E at the Offered Price (number of times)
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	[●]*
P/E ratio based on the Weighted Average EPS	[●]*

\*To be updated at Prospectus stage.

**B. Industry Peer Group P/E ratio**

Particulars	P/E Ratio
Highest	41.62
Lowest	16.48
Industry Composite	26.59

- 1) The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For details, see “Basis for Offer Price”– Comparison with Listed Industry Peers” on page 109.
- 2) The industry P / E ratio mentioned above is for the financial year ended March 31, 2024.
- 3) We have considered PE of OSEL Devices Limited to be the industry PE there is no other comparable peer.

**C. Return on Net Worth (“RoNW”)**

Fiscal	RoNW(%)	Weight
2022	2.21%	1
2023	19.99%	2
2024	23.46%	3
<b>Weighted Average</b>	<b>18.76%</b>	
<b>December 31, 2024<sup>^</sup></b>	<b>27.86%</b>	

<sup>^</sup>Not Annualised

**Note:**

Return on Net Worth is calculated as Restated Profit for the year attributable to the equity shareholders of the Company divided Shareholders funds for that year. Shareholders’ funds is calculated as sum of share capital and reserves and surplus.

**D. Net Asset Value (“NAV”) per Equity Share:**

Particulars	Amount (₹)
As at March 31, 2024	6.24
As on December 31, 2024 <sup>^</sup>	8.66
After the Issue	
At the Offer Price	[●]
At Issue Price	[●]

<sup>^</sup>Not Annualised

**Notes:**

- Issue Price per equity share will be determined on conclusion of the Fixed Price Process.
- Net asset value per equity share represents restated net worth attributable to equity shareholders of the Company (excluding non- controlling interest) at the end of the year divided by weighted average numbers of equity share outstanding during the respective year.

**Comparison with Listed Industry Peers:**

Companies	Face Value (₹)	Sales (₹ in Lakhs.)	PAT (₹ in Lakhs.)	EPS (₹)	P/E Ratio	RoNW (%)	CMP (₹)
Earkart Limited	10	3,329.74	305.81	2.03	-	31.21%	-
<b>Peer Groups: *</b>							
OSEL Devices Limited	10	13,268.52	1,268.41	11.31	10.82	50.05%	274.40

\*Source for Peer Group information: [www.nseindia.com](http://www.nseindia.com)

- The figures of Our Company are based on the restated financial results for the year ended March 31, 2024.
- The figures for the Peer group are based on audited results for the Financial Year ended March 31, 2024.

<sup>#</sup>The Scrip of the Peer Company was last traded on June 09, 2025.  
The Offer price is [●] times of the face value of the Equity Shares.

## E. Key Performance Indicators (“KPIs”)

The table below sets forth the details of our Key Performance Indicators that our Company considers have a bearing for arriving at the basis for Offer Price. The Key Performance Indicators set forth below have been approved by our Audit Committee pursuant to the resolution at its meeting dated June 10, 2025. Further, our Company’s Audit Committee has on June 10, 2025, taken on record that other than the Key Performance Indicators set out below, our Company has not disclosed any other Key Performance Indicators during the 3 years preceding the date of this Draft Prospectus to its investors.

Additionally, the Key Performance Indicators have been certified by the Statutory Auditors of our Company, M/s.Timsi & Associates, pursuant to a certificate dated June 10, 2025.

The KPIs disclosed below have been used historically by our Company to understand and analyse the operational and the financial performance, which in result, helps it in analysing the growth of various verticals in comparison to its listed peers, and other relevant and material KPIs of the business of our Company that have a bearing on arriving at the Basis for Issue Price have been disclosed below.

### Key Performance Indicators

(₹ in Lakhs)

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	3,321.41	3,175.46	2,891.63	569.17
Total Income	3,329.74	3,196.69	2,896.68	573.02
EBITDA <sup>1</sup>	767.28	355.17	160.87	13.35
EBIT <sup>2</sup>	745.37	357.63	150.91	11.22
EBT <sup>3</sup>	715.05	324.38	145.24	11.22
PAT <sup>4</sup>	503.49	305.81	131.20	10.56
EBITDA Margin <sup>5</sup>	23.10%	11.18%	5.56%	2.35%
EBIT Margin <sup>6</sup>	22.39%	11.19%	5.21%	1.96%
EBT Margin <sup>7</sup>	21.47%	10.15%	5.01%	1.96%
PAT Margin <sup>8</sup>	15.12%	9.57%	4.53%	1.84%
Return on Equity <sup>9</sup>	27.86%	23.46%	19.99%	2.21%
Return on Capital Employed <sup>10</sup>	41.25%	27.44%	23.00%	2.34%

1. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is calculated as sum of Profit Before Tax, Finance Cost & Depreciation and Amortization excluding Other Income
2. EBIT (Earning Before Interest & Tax) is calculated as EBITDA Add Other Income less Depreciation
3. EBT (Earning Before Tax) is calculated as EBIT less Finance Cost
4. PAT (Profit After Tax) is calculated as EBT less Tax
5. EBITDA Margin is calculated as EBITDA divided by Revenue from operation
6. EBIT Margin is calculated as EBIT divided by Total Income
7. EBT Margin is calculated as EBT divided by Total Income
8. PAT Margin is calculated as PAT divided by Total Income
9. RoE (Return on Equity) is calculated as PAT divided by Net worth
10. RoCE (Return on Capital Employed) is calculated as EBIT divided by Capital Employed

### Explanation for Key Performance Indicators

KPI	Explanation
Revenue from Operations	Revenue from operations refers to revenue from sales of products, sale of services and other operating income.
Total Revenue	Total Revenue refers to Revenue from operations plus Other Income.
EBITDA	EBITDA is an alternative way to calculate profitability that focuses on a company's ability to generate cash from its regular operations.
EBIT	Measures a company's net income before income tax and interest expenses are deducted.

KPI	Explanation
EBT	Measures a company's net income before income tax.
PAT	Profit for the year after tax that are available to share holders.
EBITDA Margin	EBITDA Margin is an indicator to measure efficiency of generating core profitability of company.
EBIT Margin	EBIT Margin is an indicator use to measure the efficiency of company to generate operating profits.
EBT Margin	EBT Margin used as indicator to calculate profitability before tax as percent of Total Revenue.
PAT Margin	PAT Margin used as measure of calculation profit available to shareholders as percent of Total Revenue.
RoE	RoE measure the ability to gauge how much shareholders are earning on their investments. It exhibits how well the company has utilised the shareholder's money.
RoCE	RoCE indicates how efficiently capital is being used in the business. It provides the ability of the company to generate the returns against the capital it put to use.

### Peer Comparison

(₹ in Lakhs)

Particulars	Earkart Limited			OSEL Devices Limited		
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	3,175.46	2,891.63	569.17	13,223.35	8,188.68	6,524.53
Total Income	3,196.69	2,896.68	573.02	13,268.52	8,195.58	6,555.49
EBITDA	355.17	160.87	13.35	2,243.12	861.47	433.77
EBIT	357.63	150.91	11.22	2,193.03	810.25	408.58
EBT	324.38	145.24	11.22	1,854.56	696.72	298.55
PAT	305.81	131.20	10.56	1,268.41	466.00	212.31
EBITDA Margin	11.18%	5.56%	2.35%	16.96%	10.52%	6.65%
EBIT Margin	11.19%	5.21%	1.96%	16.53%	9.89%	6.23%
EBT Margin	10.15%	5.01%	1.96%	13.98%	8.50%	4.55%
PAT Margin	9.57%	4.53%	1.84%	9.56%	5.69%	3.24%
Share Capital	6.91	6.77	6.74	1,153.82	186.10	186.10
Other Equity	1,296.58	649.47	471.94	1,380.40	1,042.90	576.90
Net Worth	1,303.49	656.24	478.68	2,534.22	1,229.00	763.00
Return on Equity	23.46%	19.99%	2.21%	50.05%	37.92%	27.83%
Return on Capital Employed	27.44%	23.00%	2.34%	65.90%	59.83%	43.32%

### Weighted average cost of acquisition:

#### a) The price per share of Company based on the primary/new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares, other than Allotment of Equity Shares pursuant to conversion of CCPS and Bonus issue on September 30, 2024 during the 18 months preceding the date of this Draft 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-issue capital before such transaction(s) in a single transaction or multiple transactions combined together over a span of rolling 30 days.

#### b) The price per share of Company based on the secondary sale / acquisition of shares (equity shares).

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 of Equity shares), during the 18 months preceding the date of this certificate, 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 in a single transaction or multiple transactions combined together over a span of rolling 30 days).

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters/ members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Prospectus irrespective of the size of transactions, is as below:

Date of allotment/ transaction	No. of equity shares	Face value per Equity Share (₹)	Issue/ Transaction price per equity share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (in ₹ lakhs)
<b>Primary Issuance</b>						
September 30, 2024	19,132	10	-	Conversion of CCPS in to Equity Shares	N.A	-
September 30, 2024	2,07,39,600	5	-	Bonus Issue	N.A	-
<b>Weighted Average Cost of Acquisition (Primary transactions)</b>						<b>Nil</b>
<b>Secondary Transaction</b>						
September 21, 2024	154	10	23,948	Transfer	Cash	36.88
December 13, 2024	3,23,744	5	7.00	Transfer	Cash	22.66
May 06, 2025	46,508	5	79.50	Transfer	Cash	36.97
<b>Weighted Average Cost of Acquisition (Secondary transactions)</b>						<b>26.06</b>

**Weighted average cost of acquisition, offer price**

Types of transactions	Weighted average cost of acquisition (Rs. per Equity Shares)	Offer Price (i.e. Rs. [●])
Weighted average cost of acquisition of primary / new issue as per paragraph (a) above.	Nil	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph (b) above.	Nil	[●]

The above details have been certified by Timsi & Associates., Chartered Accountants by their certificate dated June 10, 2025

The Offer price is [●] times of the Face Value of the Equity Shares.

The Offer Price of ₹[●] has been determined by our Company in consultation with the LM, on the basis of market demand from investors for Equity Shares through the Fixed Price Process.

Investors should read the abovementioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 29, 135, 232 and 191, respectively, to have a more informed view.

## STATEMENT OF TAX BENEFITS

### Statement of Special Tax Benefits available to the Company and its shareholders

To,  
**The Board of Directors**  
**Earkart Limited**  
Shop No 8P, Street No 6,  
Vasundhara Enclave, Delhi-11009

### Statement of Tax Benefits available to Earkart Limited and its shareholders under the Indian tax laws:

We report that the enclosed statement in **Annexure A**, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 ('Act'), as amended by the Finance Act, 2019 i.e. applicable for the FY 2021-22 (AY 2022-23), FY 2022-23 (AY 2023-24), FY 2023-24 (AY 2024-25) and for the period from April 01, 2024 to December 31, 2024 relevant to AY 2025-26 and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the Earkart Limited of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor advising the investor to invest money based on this statement.

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

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

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

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange(s)/ SEBI/ any regulatory authority and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Draft Prospectus.

**For Timsi and Associates**  
**Chartered Accountants**  
ICAI Firm Registration No.: 020141C

Sd/-  
Timsi Sharma  
Proprietor  
Membership No: 535006  
**UDIN: 25535006BMSCNI7216**

**Place: Noida**  
**Date: May 30, 2025**

## **Annexure-A**

### **Annexure to the Statement of Possible Special Tax Benefits available to the Company and its Shareholders:**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2021 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

#### **A) Special Tax Benefits to the Company under the Income Tax Act, 1961 (The “Act”)**

The company is incorporated under the Companies Act, 2013 on 14.04.2021 with the main object to assemble, manufacture, sell, trade, provide after sales services (including user training) and undertake research and development of affordable hearing aids, MSIED Kits, TLM Kits & other rehabilitation products, including their components, accessories and parts thereof. Accordingly, the company has been officially registered as a startup under the applicable government scheme with the Department for promotion of Industry and Internal Trade in the development and improvement of products in Health care and Lifesciences vide certificate dated 04.05.2021 being valid from 14.04.2021 to 13.04.2031. Subsequently, the company has been registered as an “Eligible Startup” by the Inter-Ministerial Board and has been issued certificate of eligible business under section 80-IAC of the Income Tax Act, 1961 having Certificate Number DIPP79260/IMB for availing Tax Exemption under Section 80-IAC of the Income Tax Act.

As per the provision subject to conditions laid down under section 80-IAC of the Income Tax Act, 1961 a deduction of an amount equal to one hundred per cent of the profits and gains derived from eligible business is allowed in computing the total income of the assessee for three consecutive assessment years. The company had already claimed the deduction of an amount equal to one hundred per cent of the profits and gains derived from manufacturing business for the preceding three years from FY 21-22 to FY 23-24 under section 80-IAC of the Income Tax Act, 1961. Furthermore, the assessment proceedings, in accordance with the procedure under Section 144B of the Income Tax Act, 1961, have also been successfully completed for the initial year of the deduction claimed.

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

#### **B) Special Tax Benefits to the Shareholders Under the Income Tax Act, 1961 (the “Act”)**

The shareholders are not entitled to any special tax benefits under the provisions of the Income Tax Act, 1961.

#### **Notes:**

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.
2. The above is as per the Tax Laws as on date.
3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.



4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.

[The remainder of this page has intentionally been left blank]

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

#### Global Economy

After years of major disruptions, the global economy remained steady but slow in 2024. Governments are now shifting their focus, putting the world economy at a turning point. Inflation, which had been very high, gradually came down, and job markets returned to normal, with unemployment and job openings back to pre-pandemic levels. Economic growth stayed around 3% in recent years.

However, big changes in policy are now creating uncertainty. Since February, the U.S. has announced several rounds of tariffs on its trading partners. At first, markets reacted calmly. But when the U.S. applied broad tariffs on April 2, 2025, stock markets dropped sharply and bond yields rose. A partial recovery followed after the U.S. paused and made some exceptions starting April 9, 2025.

U.S. economic growth slowed sharply in the first quarter of 2025 as businesses rushed to stockpile goods ahead of President Trump's sweeping tariff policies. The US economy contracted at an annualised rate of 0.3% in the first quarter of 2025. The eurozone economy expanded by 0.4% in the first quarter of 2025, the outcome, which marks the fifth consecutive quarter of growth, outpaced expectations of 0.2% and signals a modest pickup in economic momentum across the 20-member currency bloc.

These developments come against an already-cooling economic momentum. Recent data on real activity have been disappointing, with GDP growth in the fourth quarter of 2024. High-frequency indicators such as retail sales and purchasing managers' surveys point to slowing growth. In the United States, consumer, business, and investor sentiment was optimistic at the beginning of the year but has recently shifted to a notably more pessimistic stance as uncertainty has taken hold and new tariffs have been announced. In labor markets, hiring has slowed in many countries, and layoffs have risen. Meanwhile, progress on disinflation has mostly stalled, and inflation has edged upward in some cases, with an increasing number of countries exceeding their inflation targets.

#### Growth Outlook

With reference to current geopolitical situation and tariff war, global growth is projected to drop to 2.8% in 2025 and 3% in 2026, down from 3.3% for both years projected earlier. In the reference forecast, growth in advanced economies is projected to be 1.4% in 2025 while growth in the United States is expected to slow to 1.8%. The euro area at 0.8% is expected to slow by 0.2 percentage point. In emerging market and developing economies, growth is expected to slow down to 3.7% in 2025 and 3.9% in 2026, with downgrades for countries affected most by recent trade measures, such as China.

Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3% in 2025 and 3.6% in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.

For India, the growth outlook is relatively more stable at 6.2% and 6.3% in 2025 and 2026 respectively. For China, 2025 GDP growth is revised downward to 4.0% to 3.2% and 4.2% in 2025 and 2026 respectively.

Growth in the euro area is expected to decline slightly to 0.8% in 2025, before picking up modestly to 1.2% in 2026.

Extract World Economic Outlook April 2025	2024	Projected	
		2025	2026
<b>World Output</b>	<b>3.30</b>	<b>2.80</b>	<b>3.00</b>
<b>Advanced Economies</b>	<b>1.80</b>	<b>1.40</b>	<b>1.50</b>
United States	2.80	1.80	1.70
<b>Euro Area</b>	<b>0.90</b>	<b>0.80</b>	<b>1.20</b>
Germany	-0.20	0.00	0.90
France	1.10	0.60	1.00

Extract World Economic Outlook April 2025	2024	Projected	
		2025	2026
Italy	0.70	0.40	0.80
Spain	3.20	2.50	1.80
Japan	0.10	0.60	0.60
United Kingdom	1.10	1.10	1.40
Canada	1.50	1.40	1.60
Other Advanced Economies	2.20	1.80	2.00
<b>Emerging Market and Developing Economies</b>	<b>4.30</b>	<b>3.70</b>	<b>3.90</b>
<b>Emerging and Developing Asia</b>	<b>5.30</b>	<b>4.50</b>	<b>4.60</b>
China	5.00	4.00	4.00
India	6.50	6.20	6.30
<b>Emerging and Developing Europe</b>	<b>3.40</b>	<b>2.10</b>	<b>2.10</b>
Russia	4.10	1.50	0.90
<b>Latin America and the Caribbean</b>	<b>2.40</b>	<b>2.00</b>	<b>2.40</b>
Brazil	3.40	2.00	2.00
Mexico	1.50	-0.30	1.40
<b>Middle East and Central Asia</b>	<b>2.40</b>	<b>3.00</b>	<b>3.50</b>
Saudi Arabia	1.30	3.00	3.70
<b>Sub-Saharan Africa</b>	<b>4.00</b>	<b>3.80</b>	<b>4.20</b>
Nigeria	3.40	3.00	2.70
South Africa	0.60	1.00	1.30

Source: World Economic Outlook April 2025

## Indian Economy Outlook

### Introduction:

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP for Q2 FY25 is estimated at ₹44.10 lakh crore with growth rate of 8.1%, compared to ₹41.86 lakh crore for Q2 FY24. As per the First Advance Estimates released on January 7, 2025, the growth in real GDP during FY 2023-24 is estimated at 8.2% to ₹173.82 Lakhs crore as compared to 7.0% in FY 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24.

### Key Economic Indicator:

#### National Income:

As per the First Revised Estimates (FRE), Real Gross Domestic Product (GDP) at Constant (2011-12) Prices in the year FY 2023-24 is estimated at ₹176.51 lakh crores, against the Final Estimates (FE) of GDP for the year FY 2022-23 of ₹161.65 lakh crores. The growth in real GDP during FY 2023-24 has grown by 9.2% as compared to 7.6% in FY 2022-23. Nominal GVA is estimated at ₹274.13 lakh crore during FY 2023-24, against ₹246.47 lakh crore in 2022-23, showing a growth rate of 11.2%.

As per Second Advance Estimates, GDP for FY 2024-25, real GDP is estimated to grow at 6.5% to ₹187.95 lakh crore compared to 9.2% and ₹176.51 lakh crore in FY 2023-24.

Gross Value added is estimated at ₹161.51 lakh crore in the FY 2023-24 (FRE), against the FE for the year 2022-23 of ₹148.78 lakh crore, registering a growth rate of 8.6% as compared to 6.7% in 2022-23. As per Second Advance Estimates, GVA for FY2024-25 is estimated to grow at 6.4% to ₹171.69 lakh compared to ₹161.51 lakh crore in FY2023-24.

## Components of Annual GVA

(₹ in Lakhs Crores)					
Particulars	FY22-23 FE	FY23-24 FRE	FY24-25 SAE	FY24 Growth YoY	FY25 Growth YoY
<b>1) Primary Sector</b>	<b>26.26</b>	<b>26.97</b>	<b>28.15</b>	<b>2.73%</b>	<b>4.37%</b>
Agriculture, Forestry & Fishing	23.06	23.67	24.76	2.66%	4.59%
Mining & Quarrying	3.20	3.30	3.39	3.21%	2.76%
<b>2) Secondary Sector</b>	<b>41.71</b>	<b>46.46</b>	<b>49.15</b>	<b>11.40%</b>	<b>5.78%</b>
Manufacturing	25.16	28.26	29.47	12.30%	4.29%
Electricity, Gas, Water Supply and Other Utility Services	3.52	3.83	4.06	8.64%	6.03%
Construction	13.02	14.38	15.62	10.41%	8.64%
<b>3) Tertiary Sector</b>	<b>80.81</b>	<b>88.08</b>	<b>94.50</b>	<b>8.99%</b>	<b>7.29%</b>
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	27.86	29.95	31.85	7.50%	6.38%
Financial, Real Estate and Professional Services	34.59	38.15	40.90	10.27%	7.21%
Public Administration, Defence and Other Services	18.36	19.99	21.75	8.83%	8.81%
<b>GVA (Gross Value Added)</b>	<b>148.78</b>	<b>161.51</b>	<b>171.80</b>	<b>8.56%</b>	<b>6.37%</b>

FAE: Second Advance Estimates, FRE: First Revised Estimates, FE: Final Estimates,

For the Third quarter of FY 2024-25 ending December 31, 2024, real GDP was reported at ₹47.17 lakhs crore compared to ₹44.44 lakh crore same period of last year, the real GDP grew by 6.15% in the third quarter FY 2024-25 as against 9.51% in the same period last year. Also, GVA has grown by 5.6% to ₹40.58 lakh crore compared to ₹38.42 lakh crore in the same period last year.

Source: MOSPI & RBI

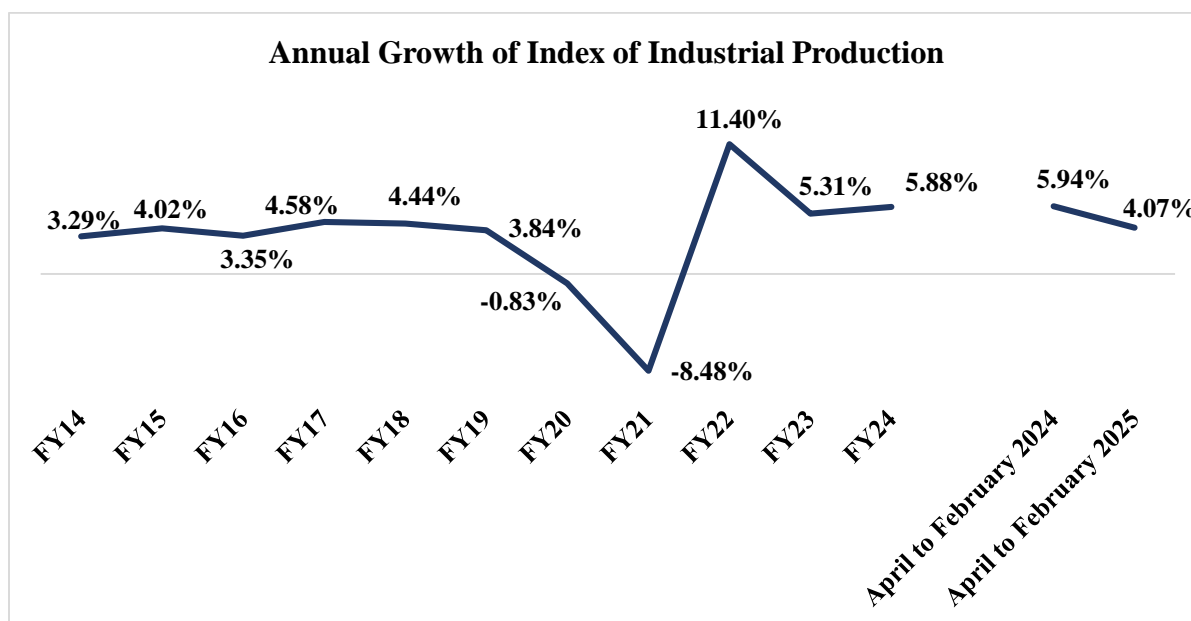
## Components of Quarter GVA

(₹ in Lakhs Crores)					
Particulars	Q3FY23	Q3FY24	Q3FY25	Q3FY24 Growth YoY	Q3FY25 Growth YoY
<b>1) Primary Sector</b>	<b>7.95</b>	<b>8.09</b>	<b>8.51</b>	<b>1.78%</b>	<b>5.20%</b>
Agriculture, Forestry & Fishing	7.17	7.27	7.68	1.46%	5.63%
Mining & Quarrying	0.78	0.81	0.83	4.66%	1.41%
<b>2) Secondary Sector</b>	<b>10.01</b>	<b>11.25</b>	<b>11.78</b>	<b>12.39%</b>	<b>4.76%</b>
Manufacturing	5.89	6.72	6.95	14.01%	3.50%
Electricity, Gas, Water Supply and Other Utility Services	0.83	0.92	0.96	10.13%	5.08%
Construction	3.28	3.61	3.87	10.05%	7.01%
<b>3) Tertiary Sector</b>	<b>19.63</b>	<b>21.26</b>	<b>22.83</b>	<b>8.28%</b>	<b>7.39%</b>
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	7.15	7.72	8.24	8.05%	6.71%
Financial, Real Estate and Professional Services	7.79	8.45	9.05	8.42%	7.15%
Public Administration, Defence and Other Services	4.70	5.09	5.54	8.42%	8.80%
<b>GVA (Gross Value Added)</b>	<b>37.59</b>	<b>40.60</b>	<b>43.13</b>	<b>8.00%</b>	<b>6.22%</b>

## Industrial Production:

Index of Industrial Production (IIP) for FY 2023-24 stood at 146.7 compared to 138.5 in FY 2022-23, showing the surge of 5.88% compared to the previous year. In FY2022-23 IIP rose by 5.31%. As per Used Based Classification, major growth in IIP has resulted from Infrastructure/ construction goods, which grew by 9.71% and capital goods which

grew by 6.28%. For the period April to February 2025 IIP has fallen to 4.07% compared to 5.94% for same period last year.



Source: MOSPI

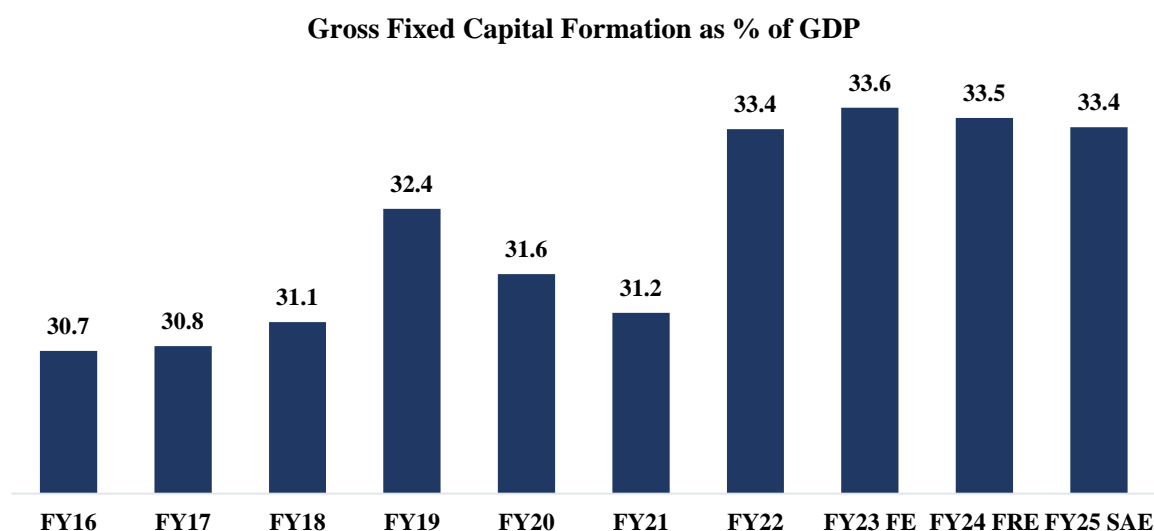
#### **Inflation:**

Consumer Price Index (CPI) which measures the retail Inflation in the economy, grew at 4.6% in FY 2024-25 compared to 5.4% in FY 2023-24.

Wholesale Price Index (WPI) rose to 154.8 level for the FY 2024-25 compared to 151.4 in FY 2023-24, showing that WPI inflation rate for FY 2024-25 was 2.23% as compared to -0.73% in FY2023-24.

#### **Gross Fixed Capital Formation:**

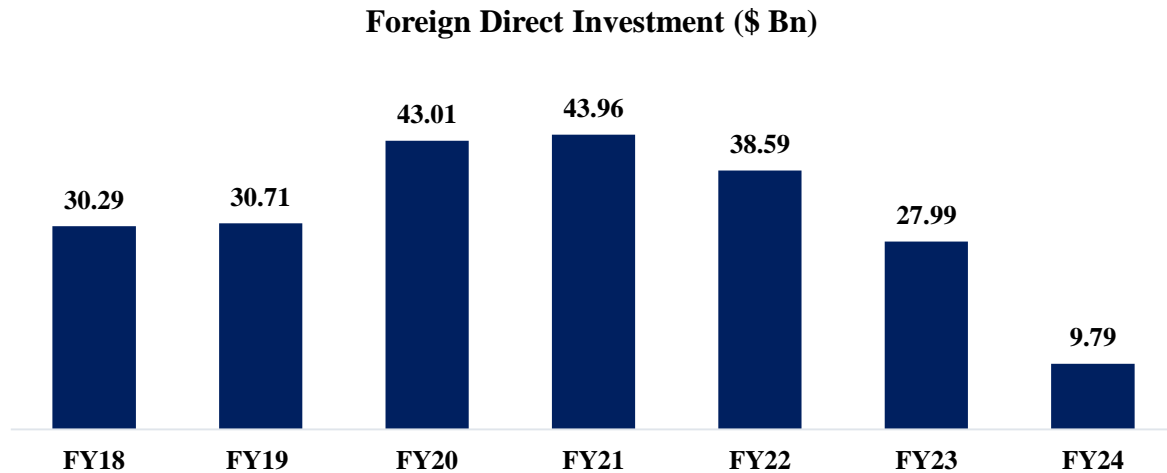
Gross Fixed Capital Formation (GFCF) for the financial year FY 2024-25, reported at ₹62.78 lakh crore as compared to ₹59.15 lakh crore in FY 2023-24. As a percent of GDP, it was reported at 33.4% of FY 2024-25 which was at 33.5% of the GDP in FY 2022-23.



Source: RBI

#### FDI Inflows:

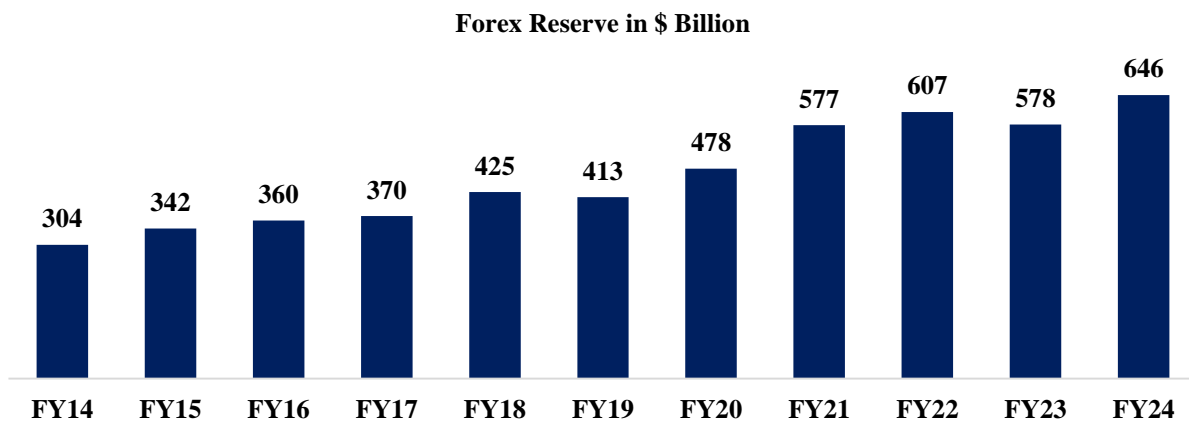
During the financial year FY 2023-24, foreign direct investment declined by 61% to \$10.89 billion compared to \$9.79 billion compared to \$27.99 billion in fiscal 2022-23



Source: RBI

#### Forex Reserves:

During the financial year FY 2023-24, RBI holds forex reserves of \$ 646 billion as compared to \$ 578 billion in fiscal 2022-23. Forex reserves in FY 2023-24 has registered the growth of 12% compared to -5% growth in fiscal 2022-23. Of the total forex reserve in FY2023-24 foreign currency assets contributes 88.32% to \$570.95 billion.

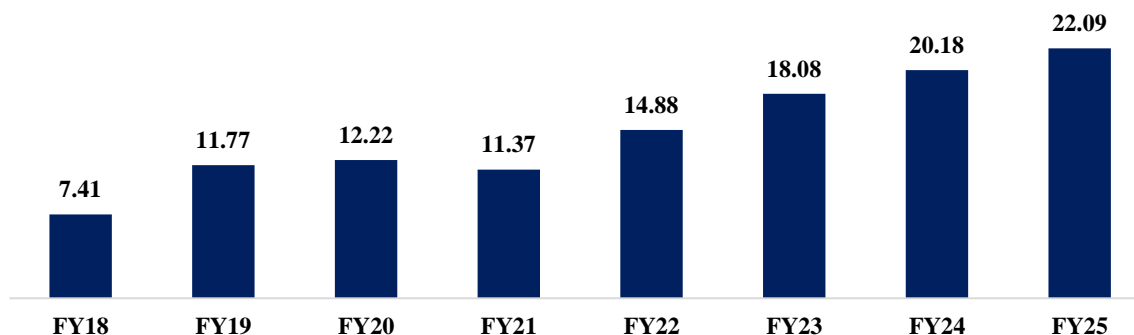


Source: RBI

#### GST Collection:

Gross GST Collection during the financial year FY 2024-25 surged by 9.46% to Rs 22.09 lakh crore compared to Rs 20.18 lakh crore in FY 2023-24. IGST contributed 50.93% to the total GST collection in FY 2024-25 to Rs, 11.25 lakh crore.

### Gross GST Collection (in Rs Lakh crore)



Source: GST portal

### Background

Hearing loss happens when something affects the hearing system. According to World Health Organization (WHO) disabling hearing loss is defined as hearing loss greater than 35 decibels (dB) in the ear with better hearing (means a person cannot hear any sound below 35dB). As per WHO, around 80% of individuals with disabling hearing loss reside in low- and middle-income countries. The likelihood of hearing loss increases with age, for people above the age of 60 being affected the most.

Hearing loss are of mostly three types i.e.; conductive hearing loss, Sensorineural Hearing Loss and mixed hearing loss.

**Conductive hearing loss** occurs when sound waves are unable to travel through the outer or middle ear to reach the inner ear. This could be due to factors like fluid build-up in the middle ear due to colds or allergies, a ruptured eardrum, accumulated earwax blocking the ear, middle ear infections (otitis media), swimmer's ear (otitis externa), eustachian tube dysfunction causing fluid retention in the middle ear, foreign objects lodged in the ear, such as a child placing a pea in their ear or congenital conditions (present at birth) that impact the formation of the outer or middle ear.

**Sensorineural Hearing Loss** a type of hearing loss that occurs when the inner ear or the auditory nerve is damaged & is the most common type of hearing loss. This could be caused due to injury, exposure to loud noise, aging, illnesses like coronary artery disease (heart disease), high blood pressure (hypertension), strokes or diabetes, ototoxicity, congenital infections like cytomegalovirus (CMV) and other factors. The symptoms of this could be sudden or steady hearing loss, muffled hearing, ear drainage, a feeling of fullness or stuffiness in the ear.

In **mixed hearing Loss** sometimes, conductive hearing loss occurs alongside sensorineural hearing loss (SNHL). This means there is damage in the outer or middle ear as well as in the inner ear or the nerve pathways leading to the brain. This condition is known as mixed hearing loss. Hearing aids can be used in order to combat hearing losses.

A hearing aid is a small electronic device worn in or behind the ear. It amplifies sounds to help individuals with hearing loss hear more clearly, enabling them to communicate and engage more effectively in daily activities. It assists in both quiet and noisy environments.

A hearing aid consists of three main components: a microphone, an amplifier, and a speaker. The microphone captures sound and converts it into electrical signals, which are then sent to the amplifier. The amplifier boosts the signals and transmits them to the ear via the speaker.

The extent of hearing loss is assessed by the volume level required for a person to hear a sound. Clinical audiograms are employed to measure hearing loss by determining the softest sound level thresholds in dB.

### WHO's Grades of hearing impairment.

Grade	Audiometric ISO value (a)	Performance	Recommendations
No impairment	25 dB or better (In better ear)	No or very slight hearing problems. Able to hear whispers	None
Slight impairment	26–40 dB (In better ear)	Able to hear and repeat words spoken in normal voice at 1 m	Counselling. Hearing aids may be needed
Moderate Impairment	41–60 dB (In better ear)	Able to hear and repeat words using raised voice at 1 m	Hearing aids usually recommended
Severe impairment	61–80 dB (In better ear)	Able to hear some words when shouted into better ear	Hearing aids needed. If no hearing aids available, lip-reading should be taught
Profound impairment including deafness	81 dB or greater (In better ear)	Unable to hear and understand even a shouted voice	Hearing aids may help in understanding words. Additional rehabilitation needed. Lip-reading and sometimes signing essential.

dB: decibel; Hz: Hertz; ISO: International Organization for Standardization; m: meter

<sup>a</sup> Average of 500, 1000, 2000 and 4000 Hz.

Source: 1. NIH | <https://pmc.ncbi.nlm.nih.gov/articles/PMC6796665/table/T1/>

2. WHO | <https://iris.who.int/handle/10665/58839> |

### Global Market

The global hearing aid industry was USD 8 billion in the year 2023. It is expected to grow at a CAGR of 6.5%. As per WHO 430 million people of the world population require rehabilitation to address their disabling hearing loss. Out of 430 million people, children belonging to the age group of 0-14 years were 34 million.

It is estimated that by 2050 over 700 million people or 1 in every 10 people will have disabling hearing loss. A person who cannot hear as well as someone with normal hearing with hearing thresholds of 20dB or better in both ears is considered to have hearing loss. Hearing loss can be classified as mild, moderate, severe, or profound. It may affect one or both ears and cause difficulty in hearing conversational speech or loud sounds.

Hard of hearing refers to individuals with hearing loss ranging from mild to severe. Deaf individuals typically have profound hearing loss, meaning they have little to no hearing, and often communicate using sign language.

As per WHO, an annual additional investment of less than US\$ 1.40 per person is needed to scale up ear and hearing care services globally. Over a 10-year period, a return of nearly US\$ 16 for every US dollar invested can be achieved.

The table below shows the details of the global population:

Year	Particulars	Million
2024	Children (0-14 years)	34
	Other than children that require rehabilitation to address their disabling hearing loss	396
	Total population that requires addressing their disabling hearing loss	430
2050	Projected population to have some degree of hearing loss	2500
	Population that requires hearing rehabilitation	700

Source: World Health Organisation (WHO)

(<https://www.who.int/news-room/fact-sheets/detail/deafness-and-hearing-loss>)

From the above table:

- In the year 2023 there were 430 million people or 5% of the population globally which required rehabilitation to combat their hearing disability. Children belonging to the age group of 0-14 years are 34 million or 7.91% of the population



which requires hearing rehabilitation. Rest of the population of 396 million or 92.09% is belonging to different age groups facing hearing issues.

- As projected for the year 2050, people having some degree of hearing loss will be 2,500 million. Those who require hearing rehabilitation will be 28% of the population i.e.; 700 million people. In other words, 1 in every 10 people will have disabling hearing loss.

Further, the 430 million people globally which require rehabilitation is divided on the basis of age group:

The Global Hearing Loss Population by Age Group (2023):

Age Group	World Population in million	% with Hearing Loss of their respective population	People with Hearing Loss in million
0-14 years	2,025	1.68%	34
15-59 years	4922	2.23%	110
60+ years	1145	25%	286
<b>Total Population</b>	<b>8092</b>		<b>430</b>

Source: WHO & UN-Population Division

<https://www.who.int/news-room/fact-sheets/detail/deafness-and-hearing-loss>

<https://population.un.org/wpp/downloads/?folder=Standard%20Projections&group=Population>

From the above table:

- In the year 2023, the global population was 8092 million. Hence, people with Hearing Loss were 430 million or approximately 5% of the global population.
- Based on the age group 60+ years population facing hearing issues were 286 million which is 25% of their respective population i.e. 1145 million. However, they represent 66.50% of the total population that had hearing loss.
- Further 110 million people between age group 15-59 years & 34 million children less than 14 years experienced hearing loss. The same accounted to 25.60% & 7.90% of the total population that had hearing loss.

As per WHO in the year 2023, there are 430 million people in the world facing hearing loss. These could be benefited from hearing devices, yet fewer than 20% of these needs are met. As per WHO, the unaddressed hearing loss poses a significant global public health challenge.

Unaddressed hearing loss is a global public health challenge and incurs an estimated cost of over US\$ 1 trillion annually. Given the global shortage of ear and hearing care specialists, we have to rethink how we traditionally deliver services.

(Source: WHO Department update | <https://www.who.int/news/item/01-03-2024-who-issues-guidance-to-improve-access-to-hearing-care-in-low--and-middle-income-settings#:~:text=%E2%80%9COver%20400%20million%20people%20with,Noncommunicable%20Diseases%2C%20Dr%20Bente%20Mikkelsen.>)

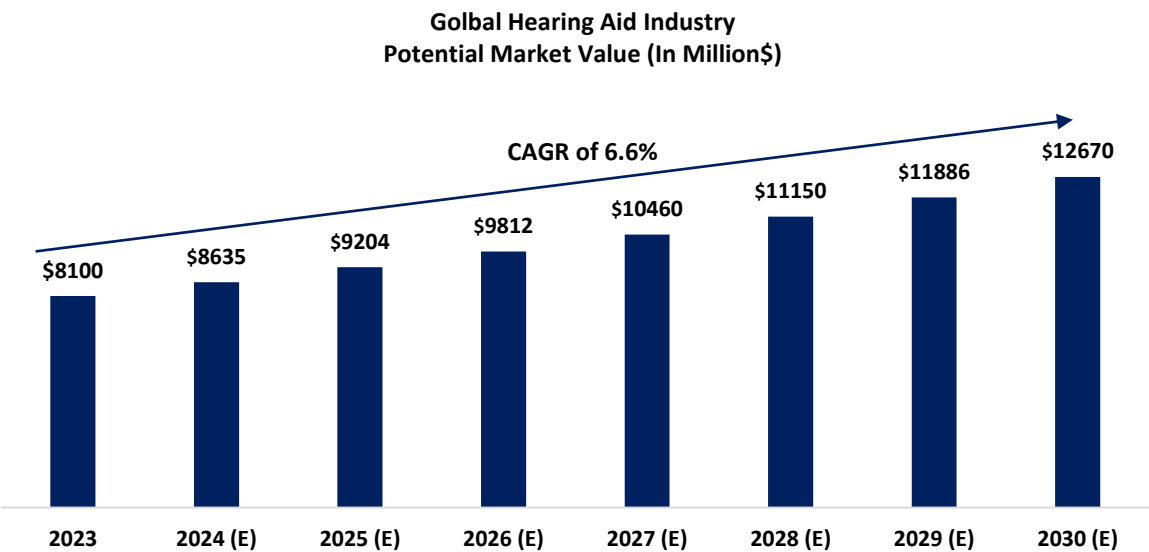
The table below shows the actual & the estimates made for the hearing aid market globally:

Year	World Population with Hearing loss (Million)	Potential Market Value for hearing Aid (Million \$)
2023	430.00	\$8,100
2024 (E)	434.47	\$8,635
2025 (E)	438.99	\$9,204
2026 (E)	443.56	\$9,812
2027 (E)	448.17	\$10,460
2028 (E)	452.83	\$11,150
2029 (E)	457.54	\$11,886
2030 (E)	462.30	\$12,670

**Source: WHO & Allied Market Research Report**

[https://www.who.int/health-topics/hearing-loss?utm#tab=tab\\_2](https://www.who.int/health-topics/hearing-loss?utm#tab=tab_2)  
<https://www.alliedmarketresearch.com/hearing-aid-market?utm>

**Report Insights**



**Analysis:**

- The global hearing aid market size was valued at \$8100 million in 2023, and is projected to reach \$12670 million by 2030, growing at a CAGR of 6.6% from 2024 to 2030. The Hearing Aid market is experiencing significant growth, driven by several key factors. One of the primary drivers is the increasing prevalence of hearing loss across various age groups, particularly among the aging population. As the global population ages, the demand for hearing aids continues to rise, fuelled by the growing awareness of hearing health and the importance of early intervention.
- As per WHO report, only 20% of the total population suffering from disabling hearing loss globally i.e. 430 million, have access to the hearing aid in 2023. Further It is expected that by 2050, there could be over 700 million people with disabling hearing loss.

**Domestic Market**

As per WHO, India had an approximately of 63 million of the population suffering from Significant Auditory Impairment in the year 2023. Hence, India accounts to 15% of the global hearing loss which was 430 million.

Early identification of hearing loss and ear diseases is key to effective management. In the year 2011 as per India's census 5.1 million people in India had hearing impairment out of total 26.8 million disabled people identified i.e. 18.9% of the total disabled population comprised of hearing disability. As per the statics, 9.7 million of the total disabled people were workers and out of them 2.1 million had hearing disability, making up to 41.18% of the total people with hearing disability.

#### Source:

1) World Health Organization (WHO)  
(<https://www.who.int/india/campaigns/world-hearing-day-2023>)

2) Census of India 2011

(<https://unstats.un.org/unsd/demographic-social/meetings/2016/bangkok--disability-measurement-and-statistics/Session-6/India.pdf> )

The India's Hearing Loss Population by Age Group (2023):

Age Group	India's Population in Million
0 -14 years	360
15 - 59 years	926
65 & above	152
Total	1438

Source: UN-Population Division & WHO

- <https://population.un.org/wpp/downloads?folder=Standard%20Projections&group=Population>
- <https://www.who.int/india/campaigns/world-hearing-day-2023>

As per WHO report in the year 2023, out of total population of 1438 million people in India, 63 million suffered of hearing loss, i.e. 4.38% of the total India's population suffered from hearing loss. India accounted to nearly 15% of the hearing loss population in the year 2023.

Year	India Population with hearing loss (million)	Potential Market Value for hearing Aid (Million \$)
2023	63.00	\$4230
2024	63.66	\$4564
2025	64.32	\$4924
2026	64.99	\$5313
2027	65.66	\$5732
2028	66.34	\$6184
2029	67.03	\$6672
2030	67.73	\$7198

Source: WHO & Blue Wave Consulting

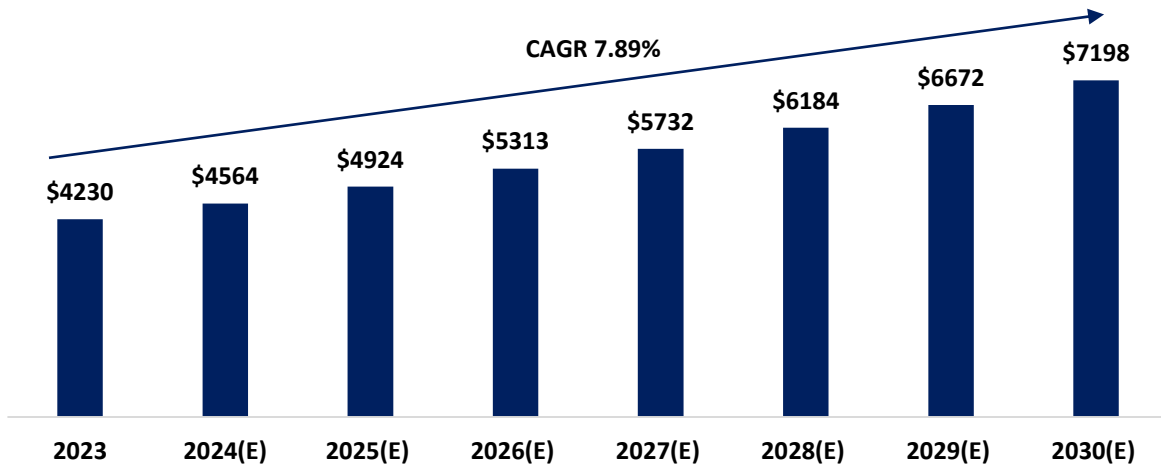
<https://www.who.int/india/campaigns/world-hearing-day-2023>

<https://www.blueweaveconsulting.com/report/india-hearing-aids-market?utm>

#### Report Insights



**India Hearing Aid Industry  
Potential Market Value (In Million\$)**



**Analysis:**

- India Hearing Aids Market size was estimated at USD 4230 million in 2023. During the forecast period between 2024 and 2030, the India Hearing Aids Market size is projected to grow at a CAGR of 7.89% reaching a value of USD 7198 million by 2030. Prominent drivers of the market are the rising incidence of hearing loss disorders, favourable government policies, and significant investments from both public and private sectors. Also, the integration of digital or smart technologies into these devices and advancements in their technology by market players are anticipated to unlock several growth opportunities in the coming years. It indicates a promising trajectory for the India Hearing Aids Market, with innovations and supportive factors driving its expansion during the period in analysis.
- The concerted efforts of the Indian government under the National Program for the Prevention & Control of Deafness (NPPCD) have significantly contributed to raising awareness and reducing stigma surrounding hearing impairment. Through initiatives focused on manpower training, capacity building, and service provision, the program aims to prevent, identify, and manage hearing impairment cases effectively. Additionally, schemes like the ADIP (Assistance to Disabled Persons) and 'Rashtriya Vayoshri Yojana' have played a crucial role in providing free assistive devices like hearing aids to senior citizens living below the poverty line. This growing awareness and support from the government are expected to catalyse the growth of the India Hearing Aids Market in the coming years, ensuring accessibility and acceptance of hearing aid solutions across the population.

## Product Profile

A hearing aid is a small electronic device that you wear in or behind your ear. It makes some sounds louder so that a person with hearing loss can listen, communicate, and participate more fully in daily activities. A hearing aid can help people hear more in both quiet and noisy situations. However, only about one out of five people who would benefit from a hearing aid actually uses one.

A hearing aid has three basic parts: a microphone, amplifier, and speaker. The hearing aid receives sound through a microphone, which converts the sound waves to electrical signals and sends them to an amplifier. The amplifier increases the power of the signals and then sends them to the ear through a speaker. (refer image)

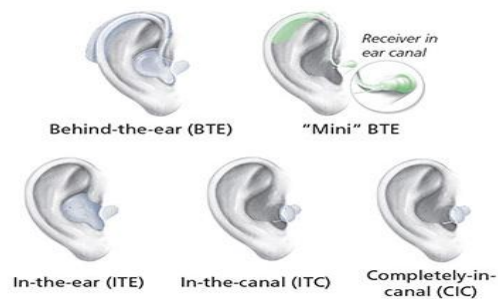


Hearing aids are primarily useful in improving the hearing and speech comprehension of people who have hearing loss that results from damage to the small sensory cells in the inner ear, called hair cells. This type of hearing loss is called sensorineural hearing loss. The damage can occur as a result of disease, aging, or injury from noise or certain medicines.

A hearing aid magnifies sound vibrations entering the ear. Surviving hair cells detect the larger vibrations and convert them into neural signals that are passed along to the brain. The greater the damage to a person's hair cells, the more severe the hearing loss, and the greater the hearing aid amplification needed to make up the difference. However, there are practical limits to the amount of amplification a hearing aid can provide. In addition, if the inner ear is too damaged, even large vibrations will not be converted into neural signals. In this situation, a hearing aid would be ineffective.

There are three basic styles of hearing aids. The styles differ by size, their placement on or inside the ear, and the degree to which they amplify sound.

*Styles of hearing aids*



*Source: NIH/NIDCD*

- **Behind-the-ear (BTE)**

BTE hearing aids consist of a hard plastic case worn behind the ear and connected to a plastic earmold that fits inside the outer ear. The electronic parts are held in the case behind the ear. Sound travels from the hearing aid through the earmold and into the ear. BTE aids are used by people of all ages for mild to profound hearing loss. (Refer Image)

A new kind of BTE aid is an open-fit hearing aid. Small, open-fit aids fit behind the ear completely, with only a narrow tube inserted into the ear canal, enabling the canal to remain open. For this reason, open-fit hearing aids may be a good choice for people who experience a build-up of earwax, since this type of aid is less likely to be damaged by such substances. In addition, some people may prefer the open-fit hearing aid because their perception of their voice does not sound "plugged up."

- **Mini BTE (Behind-the-Ear) or Receiver-in-Canal (RIC)**

Such hearing aids are a compact version of traditional BTE devices that rest behind the ear. They are connected to the ear canal by a narrow tube and may feature a smaller earpiece for insertion or a traditional earmold. These designs help minimize the occlusion effect, a sensation of the ear being plugged that amplifies the user's own voice, while enhancing comfort, reducing feedback, and addressing cosmetic preferences for many users.

- **In-the-ear (ITE)**

ITE hearing aids fit completely inside the outer ear and are used for mild to severe hearing loss. The case holding the electronic components is made of hard plastic. Some ITE aids may have certain added features installed, such as a tele coil. A tele coil is a small magnetic coil that allows users to receive sound through the circuitry of the hearing aid, rather than through its microphone. This makes it easier to hear conversations over the telephone. A tele coil also helps people hear in public facilities that have installed special sound systems, called induction loop systems. Induction loop systems can be found in many churches, schools, airports, and auditoriums. ITE aids usually are not worn by young children because the casings need to be replaced often as the ear grows.

- **Canal Hearing Aids**

Canal aids fit into the ear canal and are available in two styles. The **in-the-canal (ITC)** hearing aid is made to fit the size and shape of a person's ear canal. A **completely-in-canal (CIC)** hearing aid is nearly hidden in the ear canal. Both types are used for mild to moderately severe hearing loss. Because they are small, canal aids may be difficult for a person to adjust and remove. In addition, canal aids have less space available for batteries and additional devices, such as a tele coil. They usually are not recommended for young children or for people with severe to profound hearing loss because their reduced size limits their power and volume.

Hearing aids work differently depending on the electronics used. The two main types of electronics are analog and digital.

- **Analog hearing aids**

Analog hearing aids convert sound waves into electrical signals, which are amplified. Analog/adjustable hearing aids are custom built to meet the needs of each user. The aid is programmed by the manufacturer according to the specifications recommended by your audiologist. Analog/programmable hearing aids have more than one program or setting. An audiologist can program the aid using a computer, and you can change the program for different listening environments—from a small, quiet room to a crowded restaurant to large, open areas, such as a theatre or stadium. Analog/programmable circuitry can be used in all types of hearing aids. Analog aids usually are less expensive than digital aids.

- **Digital hearing aids**

Digital hearing aids convert sound waves into numerical codes, similar to the binary code of a computer, before amplifying them. Because the code also includes information about a sound's pitch or loudness, the aid can be specially programmed to amplify some frequencies more than others. Digital circuitry gives an audiologist more flexibility in adjusting the aid to a user's needs and to certain listening environments. These aids also can be programmed to focus on sounds coming from a specific direction. Digital circuitry can be used in all types of hearing aids.

Hearing aids may have features that help in different communication situations. The technical features of these are mentioned below:

- **Noise Reduction**

Effective noise reduction is a critical feature in hearing aids. It minimizes background sounds, allowing for clearer speech recognition in noisy environments such as busy streets or crowded restaurants. This capability significantly enhances listening comfort and reduces cognitive fatigue.

- **Directional Microphones**

Many hearing aids come equipped with directional microphones, which focus on sounds coming from in front of the wearer while suppressing noises from other directions. This feature is particularly beneficial for following conversations in noisy settings, like meetings or social gatherings.

- **Feedback Suppression**

Hearing aids with feedback suppression address the issue of unwanted whistling or buzzing sounds caused by re-amplified audio signals. This technology ensures a smoother listening experience by preventing such disturbances.

- **Wireless Connectivity**

Modern hearing aids often include wireless connectivity, enabling seamless streaming of audio from devices such as smartphones, TVs, or laptops directly to the hearing aids. This feature offers convenience and enhances the usability of the device in daily life.

- **Tinnitus Management**

For individuals experiencing tinnitus, a condition characterized by ringing, buzzing, or hissing sounds, some hearing aids offer dedicated tinnitus management features. These typically include sound therapy or masking programs to alleviate the symptoms and improve overall auditory comfort.

There are some essential specifications of Hearing Aids which are mentioned below:

- **Frequency Range**

The frequency range defines the spectrum of sounds a hearing aid can amplify. A wider frequency range ensures more natural and nuanced sound reproduction, catering to diverse hearing requirements.

- **Gain**

Gain refers to the level of sound amplification provided by a hearing aid. The required gain depends on the severity of an individual's hearing loss and should be customized to deliver optimal assistance without distortion.

- **Battery Life**

Battery life varies based on the hearing aid type and usage patterns. Rechargeable battery options are increasingly common, offering convenience and reducing the need for frequent replacements. Users should consider their lifestyle and preferences when choosing between traditional and rechargeable batteries.

- **Size and Weight**

The size and weight of a hearing aid influence its comfort, aesthetics, and ease of use. While smaller models are more discreet and lightweight, they may have fewer advanced features compared to larger models. Choosing the right size balances functionality and personal comfort.

- **Water Resistance**

For active users or those frequently exposed to moisture, water-resistant hearing aids are a practical choice. They are designed to withstand sweat, humidity, and minor water exposure, extending the device's durability.

## **Hearing Aid Industry Structure**

The hearing aid industry operates in a structured value chain involving several key segments. Here's an overview of the industry structure:

### **1. Raw Materials and Components Suppliers**

- Microelectronics: Semiconductor components, microchips, and integrated circuits.
- Batteries: Batteries, especially for digital hearing aids, including rechargeable lithium-ion batteries.

- Casing & Accessories: Materials like plastics, metal alloys, and specialized coatings.
- Microphones and Receivers: Tiny microphones and speakers tailored for hearing aids.

## **2. Manufacturers**

- Hearing Aid Manufacturers: This includes global giants and local companies that design, develop, and manufacture hearing aids. Some prominent brands include:
  - Sonova (Phonak, Unitron)
  - Demant (Oticon, Bernafon)
  - Cochlear Ltd. (for cochlear implants, an adjacent product)
  - Starkey Hearing Technologies
  - Eargo
  - Amplifon
  - Hearing Life

Some hearing aid manufacturers also specialize in creating customized solutions for individuals based on audio logical tests and assessments.

## **3. Distribution**

- Direct-to-Consumer (DTC): Some companies sell hearing aids directly to consumers through online platforms and retail stores.
- Hearing Aid Retailers: Specialized outlets or chains that focus on hearing aids and related accessories.
- Audiologists & Hearing Centres: Many hearing aids are sold through licensed audiologists or clinics that offer audio logical assessments, hearing tests, and fittings.
- Medical Professionals & ENT Specialists: Doctors and specialists who assess patients and recommend hearing aids.
- Over-the-Counter (OTC): The OTC segment is expanding, especially in the U.S., following the FDA's approval of OTC hearing aids in 2022. Over-the-Counter (OTC) hearing aids are FDA-regulated devices designed for adults with mild to moderate hearing loss. Unlike traditional prescription hearing aids, OTC devices can be purchased directly from stores or online without an audiologist's prescription or fitting.

## **4. Service Providers**

- Audiologists & Hearing Care Professionals: These professionals assess hearing loss and help consumers choose the appropriate hearing aid.
- Maintenance and Repairs: Ongoing services like battery replacements, device cleaning, and occasional repairs.
- Telemedicine/Tele-audiology: Increasingly, hearing aid companies offer remote services for adjustments and consultations through digital platforms.

## **5. End Consumers**

- Individuals with Hearing Loss: The primary customers, including the elderly population, individuals with congenital hearing impairments, and people with hearing loss due to noise exposure or aging.
- Hearing Aid Users: These customers may need varying levels of assistance, from simple devices for mild hearing loss to sophisticated models with advanced features for severe impairments.

## **6. Regulatory Bodies & Standards**

- ISO (International Organization for Standardization): Global standards for hearing aids, including safety and performance standards.
- FDA (U.S. Food and Drug Administration): In the U.S., hearing aids are regulated by the FDA, ensuring safety and efficacy.



- National Health Authorities: Various national bodies (such as India's Drugs and Cosmetics Act) regulate hearing aids and medical devices within respective countries.
- Regulatory bodies like Central Drugs Standard Control Organization (CDSCO), Bureau of Indian Standards (BIS), Indian Medical Association (IMA), Drug Controller General of India (DCGI) and Indian Standards Institute (ISI) work together in India to enforce rules and regulations that manufacturers must comply with to market hearing aids.

## **7. Research & Development (R&D)**

- The R&D segment is crucial in the hearing aid industry, driving technological advancements such as:
  - Miniaturization: Making hearing aids smaller and more discreet.
  - Wireless Technology: Integration with smartphones, Bluetooth, and other devices for enhanced functionality.
  - Sound Processing: Advanced algorithms for noise reduction, directional microphones, and personalized sound amplification.

## **Future Outlook**

The future outlook for the hearing aid manufacturing industry looks promising, driven by advancements in technology, growing awareness of hearing health, and increasing demand due to aging populations. Below are the key trends and factors shaping the future of the industry:

### **Recent news & developments are mentioned below:**

- In August 2024, Sonova launches hearing aid with real-time AI, first in market. (Reuters) - Switzerland's Sonova, opens new tab on Tuesday introduced a hearing aid that utilizes real-time artificial intelligence to improve speech clarity from background noise, the first such product in the global market, sending its shares 5% higher.
- In December 2023, JVCKENWOOD announced the availability of JVC self-fitting over-the-counter (OTC) hearing aids. The new FDA-cleared hearing aids were jointly developed with hearing health specialists Intricon and hearing aid technology company Tuned Ltd.
- In March 2023, JIUYEE introduced its latest innovation, the JIUYEE Real Pro, marking a significant expansion of its product range. Featuring cutting-edge technology, this launch promises exceptional clarity and lifelike sound quality, setting a new benchmark in auditory excellence.
- In July 2023, LINNOR NOVA unveiled an advanced hearing aid device with an antibacterial feature and built-in disinfecting capabilities.
- In April 2023, GN Store Nord launched the Jabra Enhance Pro Hearing Aids, designed to deliver an enhanced hearing experience for its users.

### **The future outlook pertaining to this industry is mentioned below:**

#### ***Technological Advancements***

- Digitalization & Smart Hearing Aids are becoming more sophisticated with the integration of smart features. Bluetooth connectivity, wireless streaming, and compatibility with smartphones and other devices are expected to become more prevalent. Additionally, artificial intelligence (AI) and machine learning are being used to adapt hearing aids to users' environments and learning patterns.
- Advances in miniaturization will lead to even smaller and more discreet hearing aids, catering to consumers who prefer less visible devices without compromising on performance.
- The shift from disposable batteries to rechargeable solutions will continue, improving convenience and sustainability. Longer battery life is expected, along with improvements in battery technology, such as lithium-ion batteries.
- Improved Sound Processing has made enhancements in sound clarity and noise reduction algorithms will make hearing aids more effective in challenging listening environments (e.g., crowded spaces, noisy streets).

### ***Growing Demand***

- The global aging population is a major driver for growth in the hearing aid market. As people live longer, the incidence of age-related hearing loss is expected to rise, leading to higher demand for hearing aids. By 2050, there will be an estimated 700 million people with hearing disability and around 2500 Million people with minor to moderate hearing loss, many of whom will require hearing assistance. (Source: WHO | <https://www.who.int/news-room/fact-sheets/detail/deafness-and-hearing-loss>)
- The elderly population's higher susceptibility to sensorineural hearing loss positions geriatrics as a key segment in the overall patient demographic. Consequently, the widespread occurrence of sensorineural hearing loss, alongside the increasing geriatric population, is driving growth in this sector of the hearing aids market. Hearing aids are effective for helping older individuals manage mild-to-moderate sensorineural hearing loss in both ears. For those with severe hearing loss who do not benefit from hearing aids, cochlear implants offer a viable alternative.
- Increased awareness about hearing loss, especially in younger populations due to noise exposure (e.g., through headphones), will lead to more people seeking hearing aids early. The stigma around wearing hearing aids is also decreasing, driven by more discreet designs and improved functionality.
- As disposable income rises in emerging economies, there is expected to be greater access to hearing aids. Countries like India, China, and Brazil are becoming key markets for hearing aid manufacturers.

### ***Customization and Personalization***

- Companies will focus on providing personalized hearing solutions, using digital audiograms and AI to adjust devices to specific hearing loss patterns. More consumers will demand solutions that offer customized hearing experiences, rather than one-size-fits-all products.
- The increasing use of telemedicine in healthcare, including audiology, will drive the adoption of remote hearing aid fitting and ongoing adjustments. This will make hearing aids more accessible and convenient, especially for individuals in remote areas.

### ***Competitive Market Landscape***

- The hearing aid market will likely see increased consolidation with large companies acquiring smaller innovators or forming strategic partnerships to enhance their technological offerings. Companies like Sonova, Demant, and Starkey will continue to innovate, while startups focusing on niche technologies may also grow.
- Direct-to-consumer (DTC) models are emerging, where consumers can purchase hearing aids online with telehealth support. This will disrupt traditional distribution channels and potentially lower costs for end users.

### ***Regulatory Changes***

- The FDA's approval of over-the-counter (OTC) hearing aids in the U.S. opens up a new market segment, especially for mild-to-moderate hearing loss. This shift will make hearing aids more affordable and accessible, as people will be able to purchase devices without requiring a prescription or audiologist visit.
- As hearing aids become more complex, governments and international bodies will establish stricter regulations on device safety, performance, and user privacy (e.g., data security concerns due to wireless connectivity).

### ***Sustainability***

- With increasing focus on sustainability, hearing aid manufacturers will prioritize using recyclable materials and reducing the environmental footprint of their products. More efficient energy use and biodegradable components will become common features.
- As the shift to rechargeable batteries grows, there will be a stronger emphasis on establishing effective battery recycling programs to reduce waste.

### ***Market Expansion***

- While hearing aids are traditionally associated with the elderly, companies will increasingly focus on younger age groups, including those who suffer from noise-induced hearing loss or congenital conditions.

- Beyond traditional hearing aids, there is growing interest in cochlear implants and bone-anchored hearing aids (BAHA), particularly for individuals with more severe hearing loss.

#### ***Cost and Accessibility***

- As competition increases and technology becomes more affordable, prices for hearing aids are expected to decrease. This will help make devices accessible to a broader population, especially in lower-income markets.
- The push for better insurance coverage for hearing aids, particularly in countries like the U.S., will continue. Some private insurers already cover part of the cost, but wider access to insurance could significantly boost market growth.

[The remainder of this page has intentionally been left blank]

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties, you should read “Forward- Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 29 and 232, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

*The manner in which operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Information and other information relating to our business and operations included in this Draft Prospectus.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the period ended December 31, 2024 and for the Fiscal 2024, fiscal 2023 and fiscal 2022 included herein is derived from the Restated Financial Information, included in this Draft Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to “we” or “us” or “Earkart” mean Earkart Limited for further information relating to various defined terms used in our business operations, see “Definitions and Abbreviations” on page 1*

### **Our Business**

Our Company was incorporated as ‘Earkart Private Limited’ a Private Limited Company under the Companies Act, 2013 at Noida, Uttar Pradesh, pursuant to a certificate of incorporation dated April 14, 2021. Thereafter, name of our Company was changed from ‘Earkart Private Limited’ to ‘Earkart Limited’, consequent to conversion of our Company from Private to Public Company, pursuant to a special resolution passed by the shareholders of our Company on November 27, 2024 and a fresh certificate of incorporation consequent to change of name was issued on December 18, 2024. Our Company’s Corporate Identity Number is U74999DL2021PLC399313.

The company was established in 2021 by Priyadarshi Jha and Shailendra Yadav to address hearing loss. Subsequently, on October 11, 2021, Rohit Misra acquired a majority of the equity shares from them and currently serves as the Chairman and Promoter of the company.

We Manufacture and distribute modern hearing aids and related accessories at affordable prices across India. Along with our own manufactured hearing aid, we also trade in hearing aid, parts and accessories of other brands manufactured in India and abroad. In addition, we offer other products like adjustable foldable walkers and Multi-Sensory Integrated Educational Development (MSIED) and Teaching Learning Material (TLM) kits to support mobility and daily needs of physically challenged. Our mission is to make quality hearing care more accessible. We’ve developed a smart and easy-to-use remote audiometry machine that allows people to get tested and fitted for hearing aids from anywhere in the world. By combining advanced technology with a strong focus on customer needs, we aim to improve hearing care across India.

We offer hearing solutions through our network of partners and clinics across India, which sell both domestic and global hearing aid brands. Our focus is on Tier 2 and Tier 3 cities, where we aim to bridge the accessibility gap using innovative delivery models like branded kiosks and dedicated telehealth services. We provide patients with hearing aid dispensers and access to a wide variety of other products including those manufactured/Assembled by us and international brands. Our mission is to provide patients with the right hearing solutions and service, reaching even the most remote areas of India.

We are a trusted supplier on the Government e-Marketplace (GeM) and provide hearing aids to Artificial Limbs Manufacturing Corporation of India (ALIMCO), ALIMCO is 100% government owned enterprise functioning under the Administrative Control of Ministry of Social Justice & Empowerment, Department of Empowerment of Persons with Disabilities.

We derive our revenue from sale of products and services by supply of Hearing aids, parts & accessories to government, Private party (retailers/distributors) and Shop in Shop (SIS). Our major revenue is derived from sale of products to government, that represents, 64.93%, 75.85% and 86.56% of the revenue from sale of products for the period ended December 31, 2024, fiscal 2024 and fiscal 2023 respectively. Private party (retailers/distributors) contributes 33.69%, 24.15%, 13.44% and 100% of the revenue from sale of products for the period ended December 31, 2024, fiscal 2024, Fiscal 2023 and fiscal 2022 respectively. We have started SIS model in April 2024, SIS contributed 1.40% of the revenue from sale of products for the period ended December 31, 2024.

Our exports sales contributed 1.02%, 0.35% and 0.08% of the revenue from sale of products for the period ended December 31, 2024, fiscal 2024 and fiscal 2023 respectively. We have supplied hearing aids, parts & accessories to Russia, China, Nigeria and Nepal.

Our sale of products includes sale of own manufactured hearing aid and trading of hearing aids, parts and accessories manufactured by third party (other global and domestic brands).

Our manufacturing facility, located in Noida, spans 4,500 square feet and produces BTE (Behind the Ear) and RIC (Receiver in Canal) hearing aids under the Fame Series (BTE), EQFYTM (RIC), and Radius Series (BTE) brands.

To ensure that we supply quality products which meet the applicable standards, we have set up a Research and Development Department which consists of our quality assurance and quality control teams who check and conduct various tests in our 'in-house laboratory' at various stages starting from receiving of components/parts till the finished products manufactured by us.

For the period ending on December 31, 2024, the company earned a total income of ₹3,329.74 Lakh. The total income for fiscal years 2024, 2023, and 2022 was ₹3,196.69 Lakh, ₹2,896.68 Lakh, and ₹573.02 Lakh respectively.

The company's Profit After Tax (PAT) for the period ended December 31, 2024, was ₹503.49 lakh. For fiscal years 2024, 2023, and 2022, the PAT was ₹305.81 Lakh, ₹131.20 Lakh, and ₹10.56 Lakh, respectively.

Total income and its components are set forth in the table below:

(₹ in Lakhs)								
Particulars	As at Decemb er 31, 2024	As % of Total Income	Fiscal 2024	As % of Total Income	Fiscal 2023	As % of Total Income	Fiscal 2022	As % of Total Income
<b>A) Sales of Products</b>								
<b>(i) Finished Goods</b>								
<b>a) Hearing Aid</b>								
<i>Domestic Sale</i>	2,728.67	81.95%	2,368.60	74.10%	2,568.61	88.67%	449.13	78.38%
<i>Export Sale</i>	-		3.35	0.10%	0.42	0.01%	-	-
<b>b) Others</b>							-	
<i>Domestic Sale</i>	338.21	10.16%	160.94	5.03%	-		-	-
<i>Export Sale</i>	-		-		-		-	-
<b>(ii) Traded Goods</b>								
<b>a) Hearing Aid</b>								
<i>Domestic Sale</i>	151.76	4.56%	89.72	2.81%	129.62	4.47%	90.69	15.83%
<i>Export Sale</i>	-		6.60	0.21%	1.87	0.06%	-	-
<b>b) Hearing Aid, Parts &amp; Accessories</b>								
<i>Domestic Sale</i>	17.09	0.51%	463.74	14.51%	75.84	2.62%	-	-
<i>Export Sale</i>	33.19	1.00%	0.88	0.03%	-	-	-	-
<b>Total Sales of Products</b>	<b>3,268.93</b>	<b>98.17%</b>	<b>3,093.83</b>	<b>96.78%</b>	<b>2,776.36</b>	<b>95.85%</b>	<b>539.82</b>	<b>94.21%</b>
<b>B) Sales of Services</b>								

Particulars	As at Decemb er 31, 2024	As % of Total Income	Fiscal 2024	As % of Total Income	Fiscal 2023	As % of Total Income	Fiscal 2022	As % of Total Income
<i>Conversion Charge</i>	41.51	1.25%	78.13	2.44%	106.66	3.68%	26.16	4.56%
<i>Consultancy Charge</i>	0.18	0.01%	0.59	0.02%	5.81	0.20%	3.19	0.56%
<i>Freight Charges</i>	-	-	2.91	0.09%	2.81	0.10%	-	-
<i>Franchise Fees</i>	9.32	0.28%	-	-	-	-	-	-
<i>Audiometry Charge</i>	1.47	0.04%	-	-	-	-	-	-
<b>Revenue from Services</b>	<b>52.48</b>	<b>1.58%</b>	<b>81.63</b>	<b>2.55%</b>	<b>115.27</b>	<b>3.98%</b>	<b>29.35</b>	<b>5.12%</b>
<b>C) Other Income</b>	<b>8.33</b>	<b>0.25%</b>	<b>21.22</b>	<b>0.66%</b>	<b>5.05</b>	<b>0.17%</b>	<b>3.85</b>	<b>0.67%</b>
<b>Total Revenue/Income (A+B)</b>	<b>3,329.74</b>	<b>100.00%</b>	<b>3,196.69</b>	<b>100.00%</b>	<b>2,896.68</b>	<b>100.00%</b>	<b>573.02</b>	<b>100.00%</b>

As certified by M/s. Timsi & Associates, having (FRN.:020141C), Chartered Accountants, pursuant to their certificate dated June 10, 2025.

## Revenue from Products

(₹ in lakhs)

Particulars	As at December 31, 2024	As % of Sale of Product	Fiscal 2024	As % of Sale of Product	Fiscal 2023	As % of Sale of Product	Fiscal 2022	As % of Sale of Product
<b>Government</b>	<b>2,122.51</b>	<b>64.93%</b>	<b>2,346.74</b>	<b>75.85%</b>	<b>2,403.21</b>	<b>86.56%</b>	-	-
<i>Own Brand</i>	<b>2,121.72</b>	<b>64.91%</b>	<b>2,147.49</b>	<b>69.41%</b>	<b>2,355.61</b>	<b>84.85%</b>	-	-
Hearing Aids	1,784.46	54.59%	1,986.55	64.21%	2,355.61	84.85%	-	-
Hearing Aids Parts & Accessories	-	-	-	-	-	-	-	-
Others	337.26	10.32%	160.94	5.20%	-	-	-	-
<i>Third Party Brand</i>	<b>0.79</b>	-	<b>199.25</b>	<b>6.44%</b>	<b>47.60</b>	<b>1.71%</b>	-	-
Hearing Aids	-	-	-	-	10.00	0.36%	-	-
Hearing Aids Parts & Accessories	0.79	-	199.25	6.44%	37.60	1.35%	-	-
Others	-	-	-	-	-	-	-	-
<b>Private</b>	<b>1,101.45</b>	<b>33.69%</b>	<b>747.09</b>	<b>24.15%</b>	<b>373.14</b>	<b>13.44%</b>	<b>539.82</b>	<b>100.00%</b>
<i>Own Brand</i>	<b>933.66</b>	<b>28.56%</b>	<b>385.40</b>	<b>12.46%</b>	<b>213.41</b>	<b>7.69%</b>	<b>449.13</b>	<b>83.20%</b>
Hearing Aids	932.72	28.53%	385.40	12.46%	213.41	7.69%	449.13	83.20%
Hearing Aids Parts & Accessories	-	-	-	-	-	-	-	-
Others	0.95	0.03%	-	-	-	-	-	-
<i>Third Party Brand</i>	<b>167.79</b>	<b>5.13%</b>	<b>361.69</b>	<b>11.69%</b>	<b>159.73</b>	<b>5.75%</b>	<b>90.69</b>	<b>16.80%</b>
Hearing Aids	118.77	3.63%	96.32	3.11%	121.49	4.38%	90.69	16.80%
Hearing Aids Parts & Accessories	49.02	1.50%	265.37	8.58%	38.24	1.38%	-	-
Others	-	-	-	-	-	-	-	-
<b>Shop in Shop (SIS)*</b>	<b>44.96</b>	<b>1.38%</b>	-	-	-	-	-	-
<i>Own Brand</i>	<b>11.49</b>	<b>0.35%</b>	-	-	-	-	-	-
Hearing Aids	11.49	0.35%	-	-	-	-	-	-
Hearing Aids Parts & Accessories	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<i>Third Party Brand</i>	<b>33.47</b>	<b>1.02%</b>	-	-	-	-	-	-
Hearing Aids	33.00	1.01%	-	-	-	-	-	-
Hearing Aids Parts & Accessories	0.47	0.01%	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>Revenue from Sale of Product</b>	<b>3,268.93</b>	<b>100.00%</b>	<b>3,093.83</b>	<b>100.00%</b>	<b>2,776.36</b>	<b>100.00%</b>	<b>539.82</b>	<b>100.00%</b>

Others include MSIED Kit, TLM Kit and Adjustable walkers

\*Shop in Shop (SIS) model is operational since fiscal 2025.

**Geographical Revenue from Sale of Products are set forth in the below table**

(₹ in lakhs)

Particulars	As at December 31, 2024	As % of Sale of Product	Fiscal 2024	As % of Sale of Product	Fiscal 2023	As % of Sale of Product	Fiscal 2022	As % of Sale of Product
<b>Domestic</b>	<b>3,235.74</b>	<b>98.98%</b>	<b>3,083.00</b>	<b>99.65%</b>	<b>2,774.07</b>	<b>99.92%</b>	<b>539.82</b>	<b>100.00%</b>
Uttar Pradesh	2,551.89	78.07%	2,497.87	80.74%	2,450.33	88.26%	97.65	18.09%
Delhi	425.01	13.00%	304.31	9.84%	319.44	11.51%	433.21	80.25%
West Bengal	1.88	0.06%	21.52	0.70%	-	-	5.19	0.96%
Punjab	4.54	0.14%	1.79	0.06%	-	-	1.32	0.24%
Uttarakhand	7.70	0.24%	2.04	0.07%	2.20	0.08%	1.46	0.27%
Maharashtra	87.98	2.69%	171.27	5.54%	0.21	0.01%	0.70	0.13%
Gujarat	92.86	2.84%	-	-	-	-	0.30	0.06%
Kerala	30.16	0.92%	43.00	1.39%	1.90	0.07%	-	-
Haryana	1.16	0.04%	4.17	0.13%	-	-	-	-
J&K	15.20	0.47%	14.69	0.47%	-	-	-	-
Karnataka	1.75	0.05%	13.03	0.42%	-	-	-	-
Telangana	-	-	3.45	0.11%	-	-	-	-
Madhya Pradesh	11.07	0.34%	1.69	0.05%	-	-	-	-
Andhra Pradesh	-	-	1.54	0.05%	-	-	-	-
Bihar	-	-	0.40	0.01%	-	-	-	-
Tamil Nadu	-	-	0.72	0.02%	-	-	-	-
Rajasthan	1.57	0.05%	1.01	0.03%	-	-	-	-
Odisha	1.50	0.05%	0.50	0.02%	-	-	-	-
Jharkhand	1.47	0.05%	-	-	-	-	-	-
<b>Export</b>	<b>33.19</b>	<b>1.02%</b>	<b>10.83</b>	<b>0.35%</b>	<b>2.28</b>	<b>0.08%</b>	<b>0.00</b>	<b>0.00%</b>
Russia	-	-	7.70	0.25%	-	-	-	-
Nepal	-	-	2.25	0.07%	-	-	-	-
China	33.19	1.02%	0.88	0.03%	-	-	-	-
Nigeria	-	-	-	-	2.28	0.08%	-	-
<b>Total Revenue from Sale of Product</b>	<b>3,268.93</b>	<b>100.00%</b>	<b>3,093.83</b>	<b>100.00%</b>	<b>2,776.36</b>	<b>100.00%</b>	<b>539.82</b>	<b>100.00%</b>

As certified by M/s. Timsi & Associates, having (FRN.:020141C), Chartered Accountants, pursuant to their certificate dated June 10, 2025.

**Key Performance Indicators**

(₹ in Lakhs)

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	3,321.41	3,175.46	2,891.63	569.17
Total Income	3,329.74	3,196.69	2,896.68	573.02
EBITDA <sup>1</sup>	767.28	355.17	160.87	13.35
EBIT <sup>2</sup>	745.37	357.63	150.91	11.22
EBT <sup>3</sup>	715.05	324.38	145.24	11.22
PAT <sup>4</sup>	503.49	305.81	131.20	10.56
EBITDA Margin <sup>5</sup>	23.10%	11.18%	5.56%	2.35%
EBIT Margin <sup>6</sup>	22.39%	11.19%	5.21%	1.96%
EBT Margin <sup>7</sup>	21.47%	10.15%	5.01%	1.96%
PAT Margin <sup>8</sup>	15.12%	9.57%	4.53%	1.84%
Return on Equity <sup>9</sup>	27.86%	23.46%	19.99%	2.21%
Return on Capital Employed <sup>10</sup>	41.25%	27.44%	23.00%	2.34%

1. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is calculated as sum of Profit Before Tax, Finance Cost & Depreciation and Amortization excluding Other Income
2. EBIT (Earnings Before Interest & Tax) is calculated as EBITDA Add Other Income less Depreciation
3. EBT (Earning Before Tax) is calculated as EBIT less Finance Cost
4. PAT (Profit After Tax) is calculated as EBT less Tax
5. EBITDA Margin is calculated as EBITDA divided by Revenue from operation
6. EBIT Margin is calculated as EBIT divided by Total Income
7. EBT Margin is calculated as EBT divided by Total Income
8. PAT Margin is calculated as PAT divided by Total Income

9. RoE (Return on Equity) is calculated as PAT divided by Net worth

10. RoCE (Return on Capital Employed) is calculated as EBIT divided by Capital Employed

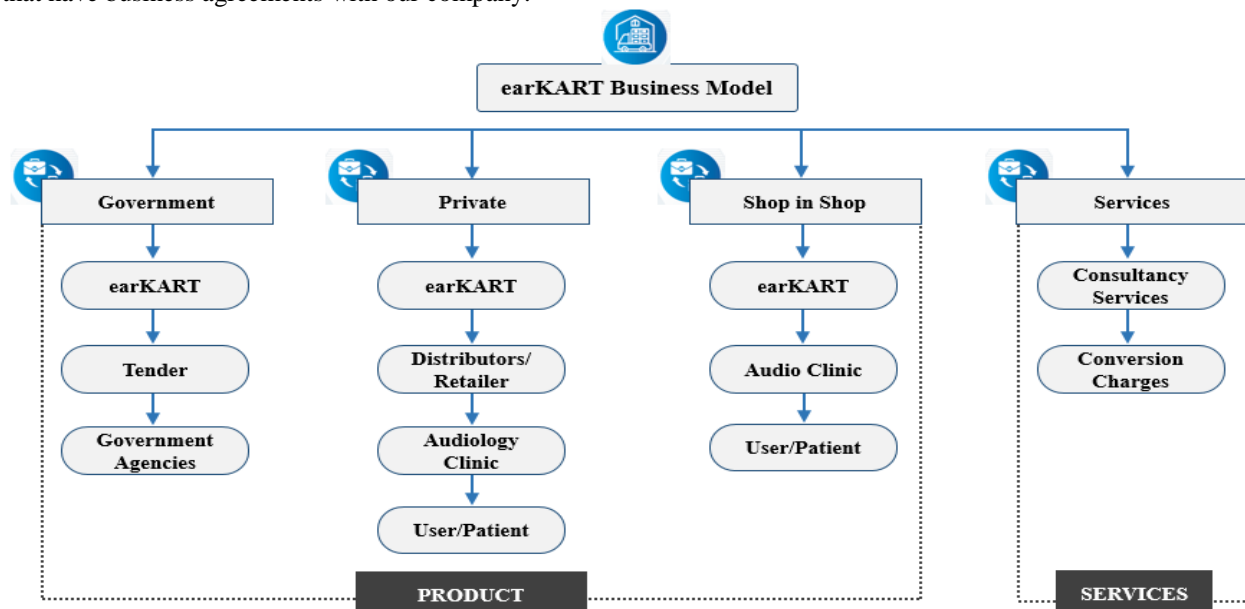
### Explanation for Key Performance Indicators

KPI	Explanation
Revenue from Operations	Revenue from operations refers to revenue from sales of products, sale of services and other operating income.
Total Revenue	Total Revenue refers to Revenue from operations plus Other Income.
EBITDA	EBITDA is an alternative way to calculate profitability that focuses on a company's ability to generate cash from its regular operations.
EBIT	Measures a company's net income before income tax and interest expenses are deducted.
EBT	Measures a company's net income before income tax.
PAT	Profit for the year after tax that are available to share holders.
EBITDA Margin	EBITDA Margin is an indicator to measure efficiency of generating core profitability of company.
EBIT Margin	EBIT Margin is an indicator use to measure the efficiency of company to generate operating profits.
EBT Margin	EBT Margin used as indicator to calculate profitability before tax as percent of Total Revenue.
PAT Margin	PAT Margin used as measure of calculation profit available to shareholders as percent of Total Revenue.
RoE	RoE measure the ability to gauge how much shareholders are earning on their investments. It exhibits how well the company has utilised the shareholder's money.
RoCE	RoCE indicates how efficiently capital is being used in the business. It provides the ability of the company to generate the returns against the capital it put to use.

### Business Model

Our company generates revenue through the sale of our own manufactured products, traded goods to resellers (including dispensers, distributors, and suppliers), Shop-in-Shop (SIS) partnerships (with ENT clinics and optical clinics), B2G (sales to government agencies), and services.

The Shop-in-Shop (SIS) model specifically targets product sales through ENT practitioners, clinics, and optical shops that have business agreements with our company.





### **1. Government (B2G):**

We are a trusted GeM (Government e-Market) supplier of hearing aids to ALIMCO under Ministry of Social Justice and Empowerment, Government of India. We receive orders based on government tenders to supply hearing aids and parts & accessories as per their specifications. Following the supply of goods, the payment cycle typically takes 45-60 days. Revenue from sale of product to B2G business for the period ended December 31, 2024, fiscal 2024 and fiscal 2023 amounted to ₹2,122.51 lakhs, ₹2,346.74 lakhs, and ₹2,403.21 lakhs respectively.

#### ***Process Involved***

- Government Issue tenders for supply of hearing aids and accessories.
- Bidding process begins.
- Tenders allocated.
- Sample product sent for approvals
- After sample approval received, final products are delivered to Government agencies.
- Payment received.

### **2. Private (Retailers/Distributors):**

We supply both, our own branded hearing devices and products from other brands to retailers and distributors based on their specific orders. Payment for orders typically follows a cycle of 60-90 days in the retail model. Revenue from sale of product to private party for the period ended December 31, 2024, fiscal 2024, fiscal 2023 and fiscal 2022 amounted to ₹1,101.45 lakhs, ₹747.09 lakhs, ₹373.14 lakhs and ₹539.82 lakhs respectively.

#### ***Process Involved***

- Regular orders received for supply of hearing aids and accessories from retailers and distributors.
- Orders are packed and delivered.
- Payment received.

### **3. Shop-in-Shop (SIS):**

Under the Shop in Shop model (SIS), our company offers franchise to opticians and ENT clinics. This model operates on a profit-sharing basis, with the terms mutually agreed upon between the company and the ENT/Optical Clinic. This approach helps expand our geographical presence, makes audiology services more accessible, and boosts sales volume.

The SIS model was launched in April 2024. As on date, Company operates 49 SIS clinics across 22 cities in 6 states and 2 Union Territories, including Uttar Pradesh, Rajasthan , Punjab, Haryana, Jharkhand, Delhi, Uttarakhand and Chandigarh respectively.

Revenue from sale of product to SIS for the period ended December 31, 2024 amounted to ₹44.96 lakhs.

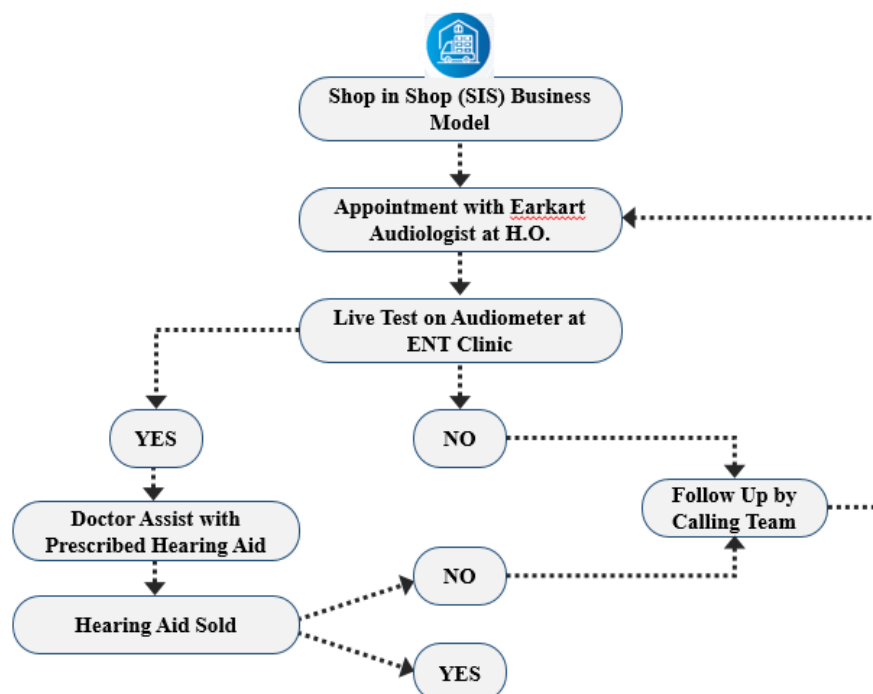
Our company partners with ENT and optical clinics to provide comprehensive hearing aid solutions directly to patients at the clinic. As part of this collaboration, we install the Earkart OMNI Audiometer on-site, enabling audiology tests to be conducted remotely by our certified audiologists based at the company's head office.

To ensure accurate testing conditions, we also invest in the development of soundproof rooms at these SIS clinics, bearing the full cost of setup.

#### ***Process Involved***

- ENT clinic fixes appointment of patient with Audiologist located at H.O.
- Audiologist at H.O. remotely performs live testing, reporting and recording of patient located at clinic via Earkart OMNI audiometer installed in reporting clinic.
- In case patient is found with the hearing loss, he is advised for use of hearing aids.

- If patient agrees to purchase the hearing aid, audiologist remotely program the hearing aid and then it is sold to patient.
- Payment received.



As on date we are operating 49 ENT/Optical Clinic under SIS model, the location of which are given below:

State/Union Territory	Number of SIS in Each State
Chandigarh	1
Delhi	9
Haryana	1
Jharkhand	1
Punjab	1
Rajasthan	5
Uttar Pradesh	25
Uttarakhand	6
<b>Total</b>	<b>49</b>

#### Revenue from Sale of Products Through SIS Model

(₹ in Lakhs)


Particulars	As at December 31, 2024	As % of Total Revenue from Sale of Products
Uttar Pradesh	17.85	0.55%
Delhi	11.29	0.35%
Punjab	5.14	0.16%
Uttarakhand	6.29	0.19%
Haryana	1.45	0.04%
Rajasthan	1.48	0.05%
Jharkhand	1.47	0.04%
<b>Total Revenue from SIS</b>	<b>44.96</b>	<b>1.38%</b>

#### Our Products

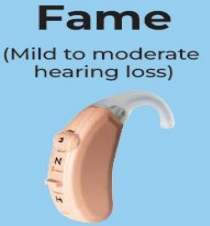
## 1. Hearing Aids

The company manufactures three types of hearing aids, marketed under the brand names EQFY™, Fame, and Radius. EQFY™ offers a single product, the Fame series includes four different product variation, and the Radius brand features eleven different product variations.

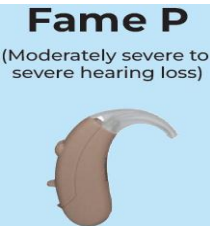
### EQFY™

	<b>Features:</b> <ul style="list-style-type: none"><li>➤ Binaural Bluetooth Connectivity</li><li>➤ Rechargeable</li><li>➤ IPS65 Dust &amp; Water Resitance 16 Channels &amp; 12 bands</li><li>➤ 3-in-1 compact Carrying Case</li><li>➤ Adjust Sound through earKART App</li><li>➤ Noise Reduction</li><li>➤ Self-Assessment</li></ul>
---	---

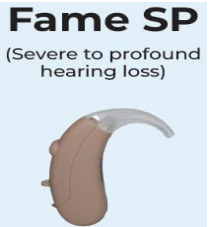
### Fame - Behind the Ear (BTE) Non-Programmable Hearing Aid

 <p><b>Fame</b> (Mild to moderate hearing loss)</p>	<b>Features:</b> <ul style="list-style-type: none"><li>➤ Stable class D circuit</li><li>➤ Wheel volume control</li><li>➤ N/H for program switch</li><li>➤ Earhook and thin tube open fit optional</li><li>➤ Stay dry and easy to clean</li><li>➤ 13 No. Zinc Air Battery</li><li>➤ 0 – 90 DB</li></ul>
---	--


### Fame P

 <p><b>Fame P</b> (Moderately severe to severe hearing loss)</p>	<b>Features:</b> <ul style="list-style-type: none"><li>➤ Stable class D circuit</li><li>➤ Wheel volume control</li><li>➤ N/H for program switch</li><li>➤ Earhook and thin tube open fit optional</li><li>➤ Stay dry and easy to clean</li><li>➤ 675 No. Zinc Air Battery</li><li>➤ 0 – 100 DB</li></ul>
---	--


### Fame SP

 <p><b>Fame SP</b> (Severe to profound hearing loss)</p>	<b>Features:</b> <ul style="list-style-type: none"><li>➤ Stable class D circuit</li><li>➤ Wheel volume control</li><li>➤ N/H for program switch</li><li>➤ Earhook and thin tube open fit optional</li><li>➤ Stay dry and easy to clean</li><li>➤ 675 No. Zinc Air Battery</li><li>➤ 0 – 110 DB</li></ul>
---	--

## Fame 2T

	<b>Features:</b> <ul style="list-style-type: none"> <li>➤ 100% Digital Signal Processing</li> <li>➤ Programme Switch</li> <li>➤ Feedback noise Cancellation</li> <li>➤ 2 Trimmer Control</li> <li>➤ Automatic Gain Control</li> <li>➤ Telecoil</li> <li>➤ Push volume Button Control</li> <li>➤ Streamlined design makes you comfortable</li> <li>➤ Stay dry and easy to clean</li> </ul>
---	---



## RADIUS - Behind the Ear (BTE) – Digital Programmable






Category	Moderate	Severe	Profound
Maximum OSPL90 ( dB SPL )	127	134	138
HFA OSPL90 ( dB SPL )	121	129	132
HFA Full-On Gain (dB)	50	60	65
Frequency Range ( Hz )	200-5000	200-5000	200-5000
Induction Call Sensitivity			
HFA SPLITS (ANSI) (dB SPL)	90	90	90
Battery Curre     nt (mA)	1.31	1.31	1.31
Idle Current (mA)	1.27	1.27	1.27
EIN level (dB SPL)	<30	<30	<30
Estimated Battery Life for 16 Hour Day			
13 Zinc Air (Approx. days)	15	15	15

## 2. Hearing Aids Accessories

Hearing Aid Accessories are additional items designed to support the use, care, and performance of hearing aids. They include products like ear buds for a better fit, batteries for power, cleaning tools like brushes, wax guards to protect the device, and battery testers to ensure proper function. These accessories help users get the most out of their hearing aids in daily life.

<b>Compressible Ear buds</b> 	<p>These are compressible ear buds used to replace the old ear buds used hearing aids.</p>
<b>Battery Tester</b> 	<p>Is a small device used to check the remaining power level of hearing aid batteries. It helps users determine if a battery is working, if it's low on power, or if it needs replacement.</p>
<b>Brush</b>	<p>A brush for a hearing aid is a cleaning tool used to remove wax, debris, and dirt from the exterior of the hearing aid and its components.</p>

	
<b>Wax Guard</b> 	A wax guard for hearing aids is a small, replaceable filter that prevents earwax, dust, and debris from entering the hearing aid and damaging the delicate internal components.
<b>Batteries</b> 	Batteries are sold as accessories to replace the old battery of hearing aid.

### 3. Other Products:

Our other product includes Multi-Sensory Integrated Educational Development (MSIED) kits and Teaching Learning Material (TLM) kits, which are specifically designed for the educational needs of children with physical and mental challenges. Additionally, we offer adjustable walkers for children with disabilities. The majority of these products are sold to government institutions, while private party sales constitute a smaller portion of our business.

#### a) MSIED KIT

Multi-Sensory Inclusive Educational (MSIED) Kit has been designed for educational purpose for Mentally Challenged. Depending upon severity of Mentally Challenged Children various tools are designed to develop the ADL (Activities for Daily Living) practice in the Mentally Challenged children. This kit is helpful in improving eye hand coordination, balance, blood circulation, concentration, cognitive skills, good posture, grip, tactile, simulation, stimulates movement, circulation in the hands and in the finger tips and improve sensory development of the child.

#### Multi-Sensory Integrated Educational Development (MSIED) Kit Consisting of Following items:

Items		Description
Air Cushion	:	Air cushion is a round or wedge-shaped seat that can be inflated. Helps strengthen lower body muscle and train for balance. One side is bump studded and the other side is more gently textured to provide different sensory perception to the children
Olive Massage Ball	:	This textured product is ideal for improving their grip, children's finger dexterity and stabilizes emotions.
Stepping Stone	:	These stepping stones have anti-slip guard and are ideal to help children train for balance and strength.
Infinite Loop	:	Infinity Loop is a great tool for developmental pediatrics therapy as it facilitates the body reflexes along with eye hand coordination.
Massage Ball with Stick	:	An ideal solution for blood circulation and tactile development, An ideal solution for blood circulation and tactile development.
Squeezer	:	Ideal for tactile and sensory stimulation. Strengthens the wrist and hands, and also improve flexibility of the wrist joints.
User Manual	:	It helps in providing guidance on how to use the products contained in MSIED kit.
MSIED Kit Bag	:	MSIED kit bag contains all the products

## b) TLM Kit

Teaching Learning Material (TLM) Kit consist of various products/materials used for education purpose and designed for 0-3 year age group, 3-6 year age group and 6 years above till 18 years. This includes teether, palm grip, sensory, footsteps, soft play materials, wooden blocks, stimulation toys, fitting & assembly kits, story books, calculators, number cubes, multiplication tactical table, general knowledge flash cards, puzzles, numerical work books, magical slate, digital watch, Alphabet words wooden cube, Needle work kit, Sensory Mat, Pyramid Rings, Squeaky shoes, Kit Bag etc.



## c) ADJUSTABLE WALKER – FOLDABLE

Adjustable foldable walker is perfectly combined with its lightweight frame ensuring easy storage, portability and durability. It is specifically designed to support, move independently and maintain balance while walking to the patients. It is easy to use as it helps to get in and out of the vehicle. A premium folding walker is adjustable as well.

 <p data-bbox="315 1566 634 1671">AVAILABLE IN THREE COLORS</p>	<p><b>Dimensions:</b></p> <ul style="list-style-type: none"><li>• Fully Withdrawn Height: 800 mm</li><li>• Fully Extended Height: 925 mm</li><li>• Overall Length: 450 mm</li><li>• Overall Width: 425 mm</li></ul> <p><b>Features:</b></p> <ul style="list-style-type: none"><li>• Designed as per biomechanical principles of motions that enable proper weight distribution to enhance balance and stability</li><li>• Exceptionally lightweight yet sturdy and durable for older adults or people with various clinical conditions</li><li>• Prevent falls among old age people and patients during walking</li><li>• Comfortable hand grips to ensure less fatigue while walking</li><li>• Provides support to maintain balance or stability while walking</li></ul>
--	---

## Our Services

### *Support services- Consultancy charges*

Our company generates lead via advertisement of online platforms like Google, Meta, Facebook etc. for various hearing aid and accessories. Prospective customer can click on the ad and get the call back from the central team, the central team guides the customer about the products and also help them to purchase the hearing aid from their nearest shop which are associated with Earkart, either via SIS model or Retail model.

### *Support services - Conversion Charge*

Post lead generation, if potential patient is diagnosed with hearing loss and he purchases hearing aid from the Earkart recommended clinic, then Earkart charges certain percentage on hearing aid to the clinic as conversion charges.

### *Franchisee Fees*

Company generated franchisee fees from entering into franchisee agreement with ENT/Ophthalmic clinics under shop in shop model.

### *Audiometry Charge*

This income refers to the certain percentage of fees charges for audiometry test at SIS clinics

## Earkart OMNI (Audiometer) – Fully In-house Developed

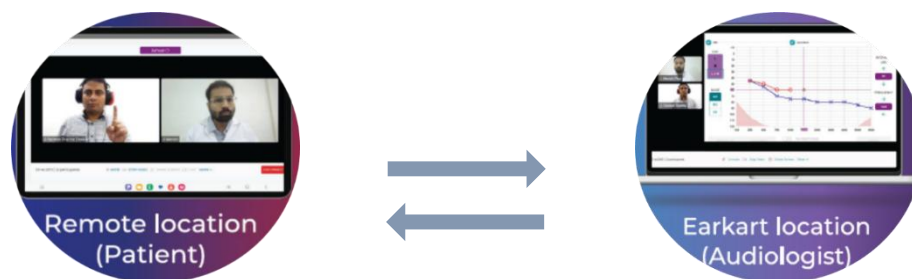
Earkart has developed remote Audiometry Machine named **Earkart OMNI**, which can be operated remotely by the Audiologist to test the hearing loss for the patient located at any place. This device uses the cloud based CRM technology for live patient audiology interaction, diagnosis of hearing loss and fitting of hearing aid in real-time basis.

In an era where accessibility to audiology services is not easily available, Earkart Omni emerges as a transformative solution. This comprehensive audiometer, encased in a sleek, easy-to-carry, compact housing with an 11-inch tablet, not only allows for remote control by audiologists but also integrates Earkart's proprietary full-stack CRM. This CRM employs in-house video conference capability, enabling real-time, live interactions, real-time visuals of the ear canal of the patients. The device's three-step diagnostic process - Video Otoscopy, Air Conduction Audiometry, and Bone Conduction Audiometry makes it highly useful to the audiology landscape.

Furthermore, the company filed a patent application on June 28, 2022, with the Indian Patent Office under the Patents Act of 1970 for an invention titled "Smart Sound Treatment and Diagnosis System, and Method Thereof." For further details refer chapter titled "Government and Statutory Approvals" on page 254







### ***Advance Functionality***

- Comprehensive Testing:
- Air & Bone Conduction Audiometry tests,
- Covering a frequency range from 125Hz to 8000Hz for air conduction, 250Hz to 6000Hz for bone conduction, with intensity levels up to 120 dB, HL for air and 75 dB HL for bone conduction.
- Ensuring the ability to assess a vast spectrum of hearing impairments accurately.
- Video Otoscopy

### ***Portability and Compact Design***

The device has a small but sturdy design, making it easy to carry and use in different settings. Its user-friendly interface is built for healthcare professionals with any level of audiology training, offering simplicity in operation and providing advanced features.

### ***Remote Operation***

Wireless connectivity allows for remote testing and real-time data management on secure, easy-to-use platforms, enabling specialists to connect with patients from anywhere.

### ***Rechargeable:***

Works on Li-ion battery for up to 8 hrs. of operation on a single charge making it most suitable even in the remotest areas across the world.

## **Earkart OMNI Audiometer Overview**

### **Specification**

- |                             |   |   |
|-----------------------------|---|---|
| ▪ <b>Audiometer</b>         | : | Remote control by audiologists via Earkart's CRM, with cloud data storage |
| ▪ <b>Connectivity</b>       | : | Onboard SIM card for high-speed data and Wi-Fi options.                   |
| ▪ <b>Portability</b>        | : | Compact design for easy transport.  |
| ▪ <b>Display</b>            | : | 11-inch color screen for real-time interaction.                           |
| ▪ <b>Video Conferencing</b> | : | In-house capability for real-time patient interactions.                   |
| ▪ <b>Power</b>              | : | Li-ion rechargeable battery for operation in remote locations.            |
| ▪ <b>Data Security</b>      | : | Encrypted data to comply with the Patient Privilege Data Act.             |

### **Diagnostic Capabilities:**

- |                                     |   |   |
|-------------------------------------|---|---|
| ▪ <b>Video Otoscopy</b>             | : | Identifies infections, anatomical conditions and other issues |
| ▪ <b>Air Conduction Audiometry</b>  | : | Assesses air conduction hearing thresholds.                   |
| ▪ <b>Bone Conduction Audiometry</b> | : | Evaluates bone conduction thresholds.                         |
| ▪ <b>Bluetooth Integration</b>      | : | For real-time programming of Bluetooth-equipped hearing aids. |
| ▪ <b>Future Feature</b>             | : | Real Ear Measurement for precise hearing aid fitting.         |



## Key Advantages of Earkart OMNI

- **Accessibility:** Earkart OMNI overcomes geographical barriers, bringing audiology services to every location and even to remote areas.
- **Accuracy:** All tests are performed by a RCI (Rehabilitation Council of India) registered Audiologist in accordance with IEC 60645 standard.
- **Cost-Efficiency:** OMNI due to its advance features and cloud based technology can be operated from any location by the audiologist sitting at head office to test the patient located to even remote area. While this tremendously increases the output of the Audiologist the cost involved in the travel and time spent is significantly reduced for the patient.
- **Efficiency:** Enables Real time video interaction & thereby enhances Patient Experience. Timely and efficient diagnosis. Enhanced patient experience through real-time interactions. The CRM allows the utilization of audiologist's time in the most useful and efficient manner.
- **Comprehensive Diagnostic Capabilities:** Addresses a wide range of auditory issues and Enables prompt identification and intervention.

## Our Manufacturing Unit

Earkart has established its manufacturing facility in 2022, adhering to the international standards, specifically ISO 13485. This facility is approved by the Central Drugs Standard Control Organization (CDSCO), ensures that all hearing aids manufactured, meets the quality requirements. Additionally, every hearing aid produced is BIS (Bureau of Indian Standards) certified, guaranteeing safety and performance in the market.

The production department is supported by a dedicated team of six skilled employees, focused on producing a wide range of hearing aids, including both Analogue and Digital Programmable Behind-The-Ear (BTE) models. The department is committed to fulfilling the diverse needs of the sales team and responding swiftly to market demand.

However, due to the limited capacity of a single hearing aid analyzer at the facility, Earkart is working to procure additional Hearing Aid Analyzer. This upgrade will enable us to implement a comprehensive quality assurance process.



## **Primary Components of Hearing Aid**

A hearing aid consists of four primary components: the microphone, amplifier, receiver, and battery. These parts are carefully assembled into a housing case to create the final product.

### **1. Microphone:**

Hearing aids having feature of one or two microphones that capture sound, which is then transmitted to an amplifier. The microphone collects sound and relays them to the sound processor. The processor differentiates between various sound types, such as speech and background noise, to enhance focus on desired sounds. After processing, the signals are improved and delivered through the earphone for improved hearing.

### **2. Amplifier:**

Upon receiving sound, the amplifier adjusts the volume according to the level of hearing loss, as determined through audiograms and assessments conducted by a hearing care professional. This amplification enables you to perceive sounds that may otherwise be inaudible. The amplified electrical signals are then transmitted to the receiver for further processing.

### **3. Receiver:**

The electrical signals are converted into sound that the person can hear. The receiver then transmits this sound into the ear. The placement of the receiver, whether inside or outside the ear, depends on the severity of the hearing loss and the type of hearing aid used.

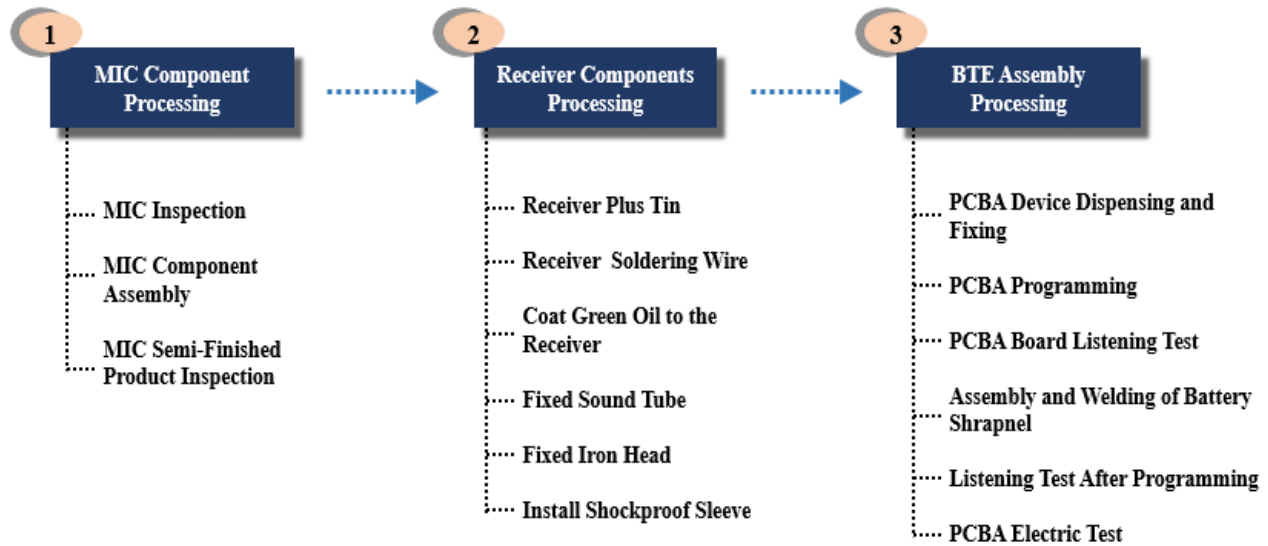
### **4. Battery:**

The battery typically located near the on/off button, either a standard or rechargeable battery for the hearing aid. If the device uses a rechargeable battery, it should be recharged each night to ensure optimal performance throughout the day.

## **Detailed Manufacturing Process**

The process for hearing aids involves a series of steps designed to ensure the standards of quality and functionality. It begins with the inspection and preparation of individual components, such as microphones (MIC) and receivers, to verify their compliance with design and performance requirements. These components undergo various stages of, including soldering, coating, and fitting, followed by inspections to identify and address any defects. The process extends to the integration and programming of printed circuit board assemblies (PCBA), with functional and electrical tests conducted at each stage to ensure reliability. By following a structured approach, the assembly process ensures that the final product meets both technical specifications and user expectations.

## Production Process



### 1. MIC Component Processing

- a. **MIC Inspection:** The first step in the process is to inspect the microphone (MIC) components. This ensures they meet the required quality standards before proceeding to assembly.

#### *Activities:*

- Perform a visual inspection to identify any visible defects or irregularities.
- Conduct functional tests to ensure that each microphone operates correctly.
- Record the results of the inspection, noting any issues or defects found.

- b. **MIC Component Assembly:** Once the MIC components pass the inspection, they are assembled into a semi-finished product.

#### *Activities:*

- Align and fit the microphone parts together according to the design specifications.
- Use appropriate tools and equipment to ensure the components are assembled precisely.
- Verify that all parts are correctly positioned and securely attached.

- c. **MIC Semi-Finished Product Inspection:** After assembly, the semi-finished MIC product undergoes a thorough inspection to ensure it meets quality and functionality standards.

#### *Activities:*

- Perform functional tests to verify the assembled MIC components work as intended.
- Inspect the assembly for any loose or improperly fitted parts.
- Document any issues found and make necessary corrections.

### 2. Receiver Components Processing

- a. **Receiver Plus Tin:** The receiver components are prepared by applying tin to improve their connectivity.

#### *Activities:*

- Clean the receiver components to remove any contaminants.
- Apply tin to the designated areas of the receiver components.

- Inspect the tinned receivers to ensure the tin is applied correctly and evenly.

**b. Receiver Soldering Wire:** Wires are soldered to the receiver components to establish electrical connections.

*Activities:*

- Cut and prepare the wires to the required lengths.
- Solder the wires to the specified points on the receiver components.
- Inspect the soldering to ensure they are secure and properly connected.

**c. Coat Green Oil to the Receiver:** A protective coating of green oil is applied to the receiver components.

*Activities:*

- Clean the receiver components to ensure they are free of contaminants.
- Apply the green oil coating uniformly to the receiver components.
- Allow the coating to dry and cure, then inspect for even application.

**d. Fixed Sound Tube:** The sound tube is attached and secured to the receiver components.

*Activities:*

- Align the sound tube with the receiver components.
- Secure the sound tube using the appropriate methods and tools.
- Inspect the assembly to ensure the sound tube is properly attached and positioned.

**e. Fixed Iron Head:** The iron head is attached to the receiver components to complete the assembly.

*Activities:*

- Align the iron head with the receiver components.
- Secure the iron head using the appropriate methods and tools.
- Inspect the assembly to ensure the iron head is properly attached and positioned.

**f. Install Shockproof Sleeve:** A shockproof sleeve is installed to protect the receiver components from vibrations and shocks.

*Activities:*

- Select the appropriate shockproof sleeve for the receiver components.
- Install the shockproof sleeve around the receiver components.
- Inspect the assembly to ensure the sleeve is properly fitted and provides adequate protection.

### 3. BTE Assembly Processing

**a. PCBA Device Dispensing and Fixing:** The printed circuit board assembly (PCBA) components are dispensed and fixed into place.

*Activities:*

- Dispense adhesive or solder to secure the PCBA components.
- Position and fix the components on the PCBA according to the design specifications.
- Inspect the assembly to ensure all components are correctly positioned and secured.

- b. PCBA Programming:** The PCBA is programmed with the necessary firmware and software.

*Activities:*

- Connect the PCBA to the programming device.
- Upload the required firmware and software to the PCBA.
- Verify the programming by conducting functional tests to ensure the PCBA operates correctly.

- c. PCBA Board Listening Test:** A listening test is performed on the programmed PCBA to ensure proper audio output.

*Activities:*

- Connect the PCBA to audio testing equipment.
- Play test audio signals through the PCBA.
- Listen and measure the audio output to ensure it meets the required quality standards.

- d. Assembly and Welding of Battery Shrapnel:** The battery shrapnel is assembled and welded to the PCBA.

*Activities:*

- Position the battery shrapnel on the PCBA.
- Weld the shrapnel to secure it in place.
- Inspect the assembly to ensure the battery shrapnel is properly attached and connected.

- e. Listening Test After Programming:** A final listening test is conducted on the assembled device to ensure overall functionality.

*Activities:*

- Connect the assembled device to audio testing equipment.
- Play test audio signals and listen to the output.
- Verify the audio quality and functionality of the device.

- f. PCBA Electric Test:** An electrical test is performed on the PCBA to ensure it meets all electrical specifications.

*Activities:*

- Connect the PCBA to electrical testing equipment.
- Measure and record electrical parameters such as voltage, current, and resistance.
- Verify that the PCBA meets the required electrical standards.

**Machineries and Equipment's used in Production Department**

<b>Machinery</b>	<b>Model/Brand</b>	<b>No. of Equipment</b>
Micro Soldering Iron Station	J Tron 12 V	2
Lead Free Soldering Station	Laplife	1
Screw Driver Set	Tec Tavakkal	5
Inclined Stereoscopic Microscope	Ski Hi Optical Instruments	2
Barcode Printer	Zebra	1
ESD Mat	Locally Fabricated	5

## Arrangement of Quality Control

Description of Testing Machine	Range / Accuracy	Model/Brand	Purpose
Hearing Aid Analyzer & Test System	Frequency Range - 200 – 8,000 Hz	Make: Frye Electronics Model: Fonix 8000 Sr. No. 004115	Testing of Hearing Aids
Digital Micrometer	Range 0 - 25 mm LC : 0.001 mm	Yuzuki	Dimensional Measurement
Digital Vernier Caliper	Range : 0 to 150 mm LC : 0.01 mm	Simhevn	Dimensional Measurement
Digital Weighing Balance	Range 0 - 600 gm LC : 0.01 gm	Virgo	Weight Measurements
Heating Chamber	Range 0 - 250 °C	HTC	Drying of Components

Earkart hearing aids is highlighted by manufacturing facility, skilled workforce, and dedication to quality. As we continue to expand our production capabilities and enhance our quality control systems, we remain focused on meeting the evolving needs of the hearing healthcare industry. With ongoing investments in technology and innovation, Earkart is poised to lead the way in providing reliable, high-performance hearing aids that improve the lives of individuals worldwide.

## Business Strategy

Company intend to expand its operation Pan India level and for this company has proposed to aggressively increase the number of SIS. Also Earkart will use Multi-channel distribution, and existing network to increase the scale of business using Online and Offline model.

**1. Geographical Expansion:** As at December 31, 2024, Uttar Pradesh and Delhi are the two largest state sharing 78.07% and 13.00% of the revenue from sales of product. Company is focused on expanding its geographical reach and availability of product though various formats and marketing strategy as mentioned below.

**a. Increase in SIS footprints:** As of current, company operates 49 SIS in majorly North Indian states like Uttar Pradesh, Delhi, Punjab, Rajasthan, Uttarakhand and Haryana and Jharkhand at eastern part of India. Company intends to expand SIS network going forwards with by installing its in-house developed OMNI (Audiometer) to cater each and every remote corner and other untapped cities to expand the business visibility and sales volume. Focused on to increase the number of SIS in other parts of India, company intends to open 510 SIS by fiscal 2027. This strategy will bring the brand closer to customers in need of professional care, ensuring convenient access to our products and services. For further details, kindly refer section “Objects of the Offer” on page 92.

**b. Multi– Channel Distribution:**

- **Online Model:** Direct-to-consumer sales via Earkart’s website and third-party aggregators allow the company to offer Pan-India delivery. This channel taps into the growing e-commerce space and ensures accessibility for all customers.
- **Increasing Network of Dealers & Retailers (Offline Model):** Dealers/Retail partnerships with across India ensure availability in physical stores, with a focus on both North India and Pan-India.
- **B2G Sales:** Collaboration with government agencies and programs ensures integration with public health initiatives, promoting social impact and market expansion.

**2. Marketing Initiative:** Leverage online platforms to promote B2C online sales and highlight product affordability and advanced features. Focused partnership with ENT clinics and opticians for awareness campaigns about hearing health will create awareness about Earkart and its product. Institutional tie-ups will focus on building strong relationships with corporates, government agencies, and audiologists.

- 3. Continued Focus on Innovation and Technology:** Our company is dedicated in adopting new technologies and innovations to enhance productivity, cost efficiency, and price competitiveness. We aim to deliver hearing aids with smart features at affordable prices tailored to the needs of Indian customers. As part of this initiative, we have developed the **EARKART OMNI** audiometry machine, a cloud-based technology with Earkart's proprietary full-stack CRM. This CRM employs in-house video conference capability, enabling real-time, live interactions with patients. The device's three-step diagnostic process - Video Otoscopy, Air Conduction Audiometry, and Bone Conduction Audiometry revolutionizes the audiology landscape.

## Human Resource

As on December 31, 2024 we have an employee base of 41 (Forty-One) employees:

The following table sets forth a breakdown of employees by function:

Sr. No.	Department	No. of Employee
1.	Admin	2
2.	HR	2
3.	Digital Marketing	2
4.	Customer Care	4
5.	Accounts	2
6.	Housekeeping	2
7.	Production	5
8.	Sales	8
9.	Audiology	9
10.	IT	2
11.	Legal & Secretarial	2
12.	Logistics	1
<b>Total</b>		<b>41</b>

## Insurance

We maintain insurance policies customary for our business to cover certain risks, including, among other, money Insurance, fire and special perils insurance, burglary & robbery insurance.

For further details, refer to “Risk Factor-31 on chapter titled “Risk Factor” on page 29





## Properties

Location of the Property	Agreement Date	Lessor	Lease Rent /License Fee	Area	Valid till	Purpose
Shop No.8-P, Street No.6, Vasundhara Enclave, Delhi-110096	December 27, 2024	Ranjit Kumar	Rs. 10,000 Per Month	100 Sq.Ft.	November 30, 2025	Registered Office
A-133, Block A, Sector-63, Gautambuddha Nagar, Noida-201301	March 05, 2023	Ashray Info Solutions Private Limited	Rs.2,00,000 Per Month plus increase of rent by 5% every year.	4,500 Sq. Ft.	February 06, 2028	Corporate Office and Manufacturing Unit
D-34, Sector 59, Noida-201301	August 16, 2024	Shubh Karman Fashions Private Limited	Rs. 95,000 Per Month	4,000 Sq. Ft.	July 19, 2025	Warehouse
3 <sup>rd</sup> Floor, KRBL Building, Plot No.-C32, Institutional Area, Sector-62, Gautam Budh Nagar, Noida-201301	May 01, 2025	KRBL Infrastructure Limited	Rs.4,87,500 Per Month <sup>#</sup>	13,000 Sq. Ft.	April 30, 2030	Proposed Corporate Office and Manufacturing Unit

<sup>#</sup>The monthly rent shall become due w.e.f. August 01, 2025.

## Trademark

Our Company has the following trademarks:

Sr. No.	Logo	Type of Trademark	Country	Date of Application/Approval Date	Application No.	Class	Current Status
1.		Logo	India	July 29, 2021	5065330	10	Registered
2.		Logo	India	May 08, 2023	5926674	10	Registered
3.		Logo	India	August 12, 2024	6570942	10	Formalities Chk Pass
4.	<b>Radius BTE</b>	Word Mark	India	June 5, 2024	6465608	10	Objected
5.	<b>Fame</b>	Word Mark	India	June 5, 2024	6465609	10	Objected
6.		Word Mark	India	June 5, 2024	6465607	10	Objected

As on the date of this Draft Prospectus, our Company has made application for the following Patent with the Indian Patent Office under the Patents Act of 1970:

Date of Application	Application Number
June 28, 2022	R20241002747*#

\* For the invention titled Smart Sound Treatment and Diagnosis System, and Method Thereof.

#The Application for the patent is made by Rohit Misra and Monika Misra and have given No Objection certificate to the Company for utilizing, developing, manufacturing or commercially applying the technology and invention.



## KEY REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled “Our Business” on page 135 of this Draft Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant 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 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, see “Government and Other Statutory Approvals” on page 254.*

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company’s businesses. Our Company is required to obtain and regularly renew certain licenses/ registrations and/or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company:

### **A. Regulations Governing our Business**

#### **The National Policy on Electronics, 2019 (“NPE”)**

The NPE is issued by, Ministry of Electronics and Information Technology, Government of India. The Policy envisions positioning India as a global hub for Electronics System Design and Manufacturing - (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

#### **The Medical Devices Rules, 2017 (“MDR, 2017”)**

The Medical Devices Rules (MDR), 2017 (Amended in 2020), under the Drugs & Cosmetics Act, 1940 notified by the Ministry of Health & Family Welfare (“MoHFW”), regulates the Clinical Investigation, Manufacture, Import, Sale and Distribution of the medical devices in the country. International forums such as WHO, IMDRF and MDSAP have prescribed global standards for risk-classification, nomenclature, QMS and post-market surveillance, which have been adopted by India as part of the MDR 2017. The manufacturing of low-risk Class A and low-moderate risk Class B are regulated by the State Licensing Authority (“SLA”) while the Central Licensing Authority (“CDSCO”) regulates the moderate high-risk Class C and high-risk Class D medical devices. Further, the CDSCO regulates the import and clinical investigation of all medical devices while the SLA regulates the sale of medical devices. Further, vide Notification No. GSR 102(E) dated 11.02.2020, the registration of these devices has been kept voluntary for a period of 18 months w.e.f.1st April 2020, post which the registration of Class A & B devices shall be mandatory within 12 months and registration of Class C & D devices shall be mandatory within 24 months, after 18 months of voluntary registration period is over, thereafter, all medical devices will need to be licensed under the Medical Devices Rules, 2017 as amended by Medical Devices (Amendment) Rules, 2020, except 37 categories of medical devices. Subsequent to the request of the Industries, CDSCO has notified that Licensing of Class A & B Medical Devices will be effective from 01.10.2022 and Licensing of Class C & D Medical Devices will be effective from 01.10.2023 . A wide range of regulatory approvals necessitated by the variety of sciences and industry segments related to the medical devices sector creates high compliance and regulatory burden. The transition period in licensing by the CDSCO is an added challenge as manufacturers have to adjust to new processes over a predetermined timeframe.

#### **National Medical Devices Policy, 2023 (the “Policy”)**

The medical devices sector in India is an essential and integral constituent of the Indian healthcare sector. It forms an important pillar in the healthcare delivery system along with healthcare providers, pharmaceuticals and healthcare insurance industry, thereby helping achieve the key objectives of the National Health Policy (NHP), 2017. The medical devices constitute a multi-disciplinary sector, with the following broad classification: (a) Electronic equipment (b)

Implants; (c) Consumables and Disposables (d) Surgical instruments and (e) In-Vitro Diagnostic Reagents. Further, there are categories of devices across 24+1 (IVD) sub-categories as per the CDSCO. The policy is envisaged to provide the required support and directions to strengthen the medical devices industry into a competitive, self-reliant, resilient and innovative industry that caters to the healthcare needs of not only India but also of the world. The Policy envisions to place the Indian medical devices sector on an accelerated growth path with a patient-centric approach to meet the evolving healthcare needs of patients by building an innovative and globally competitive industry in India, supported by world class infrastructure in alignment with PM Gati Shakti, enabling ecosystem, streamlined regulatory framework and quality manpower. This will ensure access to patent-centric, innovative and affordable healthcare products of excellent quality for better healthcare outcomes. This aim is to emerge as the global leader in the manufacturing and innovation of medical devices by achieving 10-12% share in the expanding global market over the next 25 years.

The Policy will facilitate the growth of the medical devices sector that not only serves the needs of the Indian market but that of global market as well. The Policy lays down a roadmap for accelerated growth of the medical devices sector while promoting safety and quality to systematically achieve the following missions:

**Access & Universality:** To strongly advocate for universal access to good quality Medical Devices for ensuring quality healthcare services to all at all ages, by responding to and aligning with public health strategies.

**Affordability:** To enhance the domestic manufacturing capacity and capability for newer technologies, so as to make the medical devices affordable and thereby, reducing the out-of-pocket expenditure on diagnostics, thus reducing the lifetime cost of disease burden. 3.2.3. **Quality:** To ensure the quality of the products manufactured in the country to be given utmost importance and more focus in order to enhance global positioning, acceptability and competitiveness. **Patient centered & Quality Care:** To improve the quality of care by improving clinical outcomes and convenience of the patients, through early diagnosis of diseases and increased accuracy in treatment.

**Preventive & Promotive Health:** To make people more aware and vigilant, enabling them to lead a healthier lifestyle by achieving extensive application of medical devices in early screening and diagnosis for early detection / prevention and management of diseases.

**Security:** To ensure the Medical Devices Security (on par with Drug and food security of the country), by development of strong local manufacturing capabilities including for components and ancillary industry and to develop a resilient supply chain for inputs or raw materials, with optimal level of external dependency **Research and Innovation:** To create an eco-system in tune with evolving times and needs to encourage and sustain the innovation in the Sector, such as technology driven medical devices with miniaturization / nanotechnology / telecommunication technologies / IoTs & AI and precision and Individualized care for preventive, promotive, diagnostic, curative, rehabilitative, geriatric and palliative healthcare.

**Skilled manpower:** To facilitate the future-ready skilled manpower aligned to the multi-disciplinary nature of medical device technologies.

### **Bureau of Indian Standards Act, 2016 (“BIS Act”)**

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### **Information Technology Act, 2000 (“IT Act”)**

The IT Act has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act has created a mechanism for authenticating electronic documentation by means of digital

signatures and also provides for civil and criminal liability including fines and imprisonment for various offences. The IT Act prescribes various offences, including those offences relating to unauthorized access of computer systems, unauthorized disclosure of confidential information and frauds emanating from computer applications or over the internet. By means of an amendment in 2008, the IT Act legalized the validity of contracts formed through electronic means. Additionally, the IT Act creates liability for negligence in dealing with or failure to protect sensitive personal data or information, and gives protection to intermediaries in respect of liabilities for third party information made available to or hosted by them.

## **Intellectual Property Laws**

### ***The Trade Marks Act, 1999 (the "Trade Marks Act")***

The Trade Marks Act provides for the application, registration and protection of trademarks in India. The Trade Marks Act provides exclusive rights to the use of trademarks such as brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks. The Trade Marks Act also provides for penalties for infringement and for falsifying and falsely applying trademarks and using them to cause confusion among the public.

Our Company has obtained and applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

## **B. General Corporate Compliance**

### ***1. The Companies Act, 2013***

The consolidation and amendment in the law relating to the Companies Act, 1956 made way for the enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post-incorporation. The conversion of the private company into a public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, the appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to bank companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of a public company and by two or more persons in case of a private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with Sections 196 and 197), Part I lay down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

Further, the Companies Act also provides for reporting and disclosure relating to financial statement, and corporate social responsibility, disclosure under boards report, general meeting, and disclosure in the draft prospectus.

## **C. Other Relevant Legislations**

### ***1. Shops and Establishments Legislations***

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

## **2. The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office 124 at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

## **3. The Foreign Trade (Development & Regulation) Act, 1992 (“FTA”)**

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

## **4. Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (“FEMA”), as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, The Department for Promotion of Industry and Internal Trade (“DPIIT”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment (“FDI Policy”), with effect from October 15, 2020. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

## **5. Municipality Laws**

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

## **6. The Consumer Protection Act, 1986 (the "COPRA")**

The COPRA provides for the protection of the interests of consumers and the settlement of consumer disputes. The COPRA sets out a mechanism for consumers to file complaints against, *inter alia*, service providers in cases of deficiencies in services, unfair or restrictive trade practices and excessive pricing. The terms "defect" and "deficiency" are broadly defined and cover any kind of fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA at the national, state and district levels. If the allegations specified in a complaint about the services provided are proved, the service provider can be directed to *inter alia* remove the deficiencies in the services in question, return to the complainant the charges paid by the complainant and pay compensation, including punitive damages, for any loss or injury suffered by the consumer. Non-compliance with the orders of the authorities may attract criminal penalties in the form of fines and/or imprisonment.

## **7. Taxation Laws**

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

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

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

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of "One Nation-One Tax-One Market." GST is expected to benefit all the stakeholders – industry, government and consumer.

Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. This Act has been made applicable with effect from 1st July 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits. The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

## **8. Laws Relating to Employment**

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- the Child Labour (Protection and Prohibition) Act, 1986
- the Contract Labour (Regulation & Abolition) Act, 1970
- the Employees Compensation Act, 1923
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952

- the Employees' State Insurance Act, 1948
- the Equal Remuneration Act, 1976
- the Maternity Benefit Act, 1961
- the Minimum Wages Act, 1948
- the Payment of Bonus Act, 1965
- the Payment of Gratuity Act, 1972
- the Payment of Wages Act, 1936
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

### **The Code on Wages, 2019**

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this Code will be brought into force on a date to be notified by the GoI.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this Code will be brought into force on a date to be notified by the Central Government. The GoI has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this Code will be brought into force on a date to be notified by the GoI. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganised workers, gig workers and platform workers.

**Other Laws**

In addition to the above, our Company is also required to comply with the Indian Contract Act, 1872, the Sales of Goods Act, 1930, the Arbitration Act, 1996, the Negotiable Instruments Act, 1881, the Competition Act, 2002, the Registration Act, 1908, the Indian Stamp Act, 1899 other applicable statutes imposed by the Centre or the State for its day-to-day operations.

[The remainder of this page has intentionally been left blank]

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as a Private Limited Company in the name and style of “Earkart Private Limited” under the provisions of the Companies Act, 2013 on April 14, 2021 vide Certificate of Incorporation issued by Registrar of Companies, Central Processing Centre, bearing CIN: U74999UP2021PTC145093. Subsequently, our Company was converted into a Public Limited Company under the Companies Act, 2013 pursuant to a special resolution passed by the shareholders of our Company on November 27, 2024 and the name of the company was changed to “Earkart Limited” and a fresh Certificate of Incorporation was issued by Registrar of Companies, Central Processing Centre, bearing CIN: U74999DL2021PLC399313 dated December 18, 2024.

For information on the Company’s activities, market, growth and managerial competence, please see the chapters “Our Management”, “Our Business” and “Our Industry” beginning on pages 169, 117 and 169 respectively of this Draft Prospectus.

### Changes in our Registered Office

At present our registered office is located at Shop No. 8-P, Street No 6, Vasundhara Enclave, East Delhi, Delhi-110096. Prior to this, following change were made in the location of our registered office:

Effective Date of change	Particulars	Reason for change
On Incorporation	Lobe No.2, 7 <sup>th</sup> Floor, Office No. 12, (2712), Tower A, Corenthum, Tower, A-41, Sector-62, Gautam Buddha Nagar, Noida-201301	-
May 06, 2022*	Shop No. 8-P, Street No 6, Vasundhara Enclave, East Delhi, Delhi-110096.	Due to administrative convenience.

*\*The Order issued by the Regional Director on May 06, 2022.*

### Our Main Object(s)

1. To carry on the business of providing door to door or home fitting services of hearing aids through certified audiologists and other related consultancy or follow up services, at the location and time of the customer's convenience.
2. To provide consultancy and advisory services for new hearing aids based on the results of person hearing test and their individual preferences and unique listening environments. To tune the hearing instruments to help them hear in a variety of situations including restaurants, crowds and other difficult listening situations.
3. To provide end to end good quality services to give maximum benefit to clients from their hearing aids by providing over the course of one to three follow-up visits which will includes looking at the situations which might need some improvement and adjusting the hearing aids based on experience with them.
4. To improve effectiveness and efficiency, while delivering high quality services to achieving client satisfaction in such a way that all hearing aids should be comfortable with respect to the physical fit and the sound loudness to provide a comfortable fit.
5. To assemble, manufacture, integrate, test, sell, install, operate, maintain, repair, trade, provide after sales service (including user training) and undertake research and development for all kinds of hearing aid products, including their components, accessories and parts thereof, to import to and/or purchase in India raw materials, parts, components and units to be incorporated into hearing aid products to be sold by the Company; to export all kinds of hearing aid products of the Company; to undertake sales, distribution and trading activities of all kinds of hearing aid products, including their components, accessories, and parts thereof, including the marketing, sale, resale, warehouse, storage and delivery of the same.



6. To undertake production activities of all kinds of hearing aid products, including their components, accessories and parts thereof and equipment, including manufacture, stamping, moulding and assemble of the same.
7. To assemble, manufacture, integrate, test, sell, install, operate, maintain, repair, trade, provide after sales service (including user training) and undertake research and development for all kinds of Rehabilitation Aids and Appliances and Mobility Aids, including their components, accessories and parts thereof, to import to and/or purchase in India raw materials, parts, components and units to be incorporated into Rehabilitation Aids and Appliances and Mobility Aids to be sold by the Company; to export all kinds of Rehabilitation Aids and Appliances and Mobility Aids of the Company; to undertake sales, distribution and trading activities of all kinds of Rehabilitation Aids and Appliances and Mobility Aids, including their components, accessories, and parts thereof, including the marketing, sale, resale, warehouse, storage and delivery of the same.
8. To promote research, scientific investigation and development into any aspect of the objects of the Company and its work and to utilise the results of any such research.
9. To establish customer support centres, online help centres, electronic data processing centres and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy and feasibility studies of projects, design and development of management information systems in relation to hearing aid products and in pursuance of the objects of the Company.
10. To act as advisors and consultants and to render a full range of services including, technical, scientific and operational assistance, training of personnel and generally any type of business or activity which may seem to the Company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

#### **Amendments to our Memorandum of Association**

Since incorporation, the following changes have been made to our Memorandum of Association:

<b>Date of Shareholders Approval</b>	<b>Amendment</b>
October 01, 2021	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹10,00,000 divided into 1,00,000 Equity Shares of face value of ₹10 each to ₹12,00,000 divided into 1,00,000 Equity Shares of face value of ₹10 each and 20,000 Compulsory Convertible preference shares of face value of ₹10 each.
November 09, 2021	The Shifting of Registered office of the Company from State of Uttar Pradesh to National Capital Territory of Delhi  <i>(The Special Resolution was passed at the Extra Ordinary General Meeting on November 09, 2021 and the Regional Director's Order was issued on May 06, 2022, making the change of address effective from May 06, 2022.)</i>
June 22, 2022	To append following clause (5), (6), (7), (8), (9), (10) after sub clause 4 of the Memorandum of Association (MOA) of the Company.  (5) To Assemble, Manufacture, Integrate, test, Sell, Install, Operate, maintain, Repair, trade provide after sales service (including user training) and undertake research and development for all kinds of hearing aid products, including their components, accessories and parts, thereof. To import to and/or purchase in India raw materials, parts, components and units to be incorporated into hearing aid products to be sold by the Company; to export all kinds of hearing aid products of the company. To undertake sales distribution and trading activities of all kind of hearing aid products,

Date of Shareholders Approval	Amendment
	<p>including their components accessories and parts thereof, including the marketing, sales, resale, warehouse, storage and delivery of the same.</p> <p>(6) To undertake production activities of all kinds of hearing aid products, including their components, accessories and parts thereof and equipment, including manufacture, stamping, molding and assemble of the same.</p> <p>(7) To assemble, manufacture, integrate, test, sell, install, operate, maintain, repair, trade, provide after sales service (including user training) and undertake research and development for all kinds of Rehabilitation Aids and Appliances and Mobility Aids, including their components, accessories and parts thereof, to import to and/or purchase in India raw materials, parts, components and units to be incorporated into Rehabilitation Aids and Appliances and Mobility Aids to be sold by the Company; to export all kinds of Rehabilitation Aids and Appliances and Mobility Aids of the Company; to undertake sales, distribution and trading activities of all kinds of Rehabilitation Aids and Appliances and Mobility Aids, including their components, accessories, and parts thereof, including the marketing, sale, resale, warehouse, storage and delivery of the same.</p> <p>(8) To promote research, scientific investigation and development into any aspect of the objects of the Company and its work and to utilize the results of any such research.</p> <p>(9) To establish customer support centers, online help centers, electronic data processing centers and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy and feasibility studies of projects, design and development of management information systems in relation to hearing aid products and in pursuance of the objects of the Company.</p> <p>(10) To act as advisors and consultants and to render a full range of services including, technical, scientific and operational assistance, training of personnel and generally any type of business or activity which may seem to the Company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.</p>
April 19, 2023	<p>Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹12,00,000 divided into 1,00,000 Equity Shares of face value of ₹10 each and 20,000 Compulsory Convertible Preference shares of face value of ₹10 each to ₹13,00,000 divided into 1,00,000 Equity Shares of face value of ₹10 each and 30,000 Compulsory Convertible Preference Shares of face value of ₹10 each.</p>
September 20, 2024	<p>Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from ₹13,00,000 divided into 1,00,000 Equity Shares of face value of ₹10 each and 30,000 Compulsory Convertible Preference shares of face value of ₹10 each to ₹14,53,00,000 divided into 1,45,00,000 Equity Shares of face value of ₹10 each and 30,000 Compulsory Convertible Preference Shares of face value of ₹10 each.</p>
September 30, 2024	<p>Clause V of the Memorandum of Association was amended to reflect the re-classification of its authorised share capital of our Company from ₹14,53,00,000 divided into 1,45,00,000 Equity Shares of face value of ₹10 each and 30,000 Compulsory Convertible Preference Shares of face value of ₹10 each to ₹ 14,53,00,000 divided into 2,90,00,000 Equity Shares of ₹5 each and 30,000 Compulsory Convertible Preference Shares of ₹10 each.</p>
November 27, 2024	<p>Clause I of the MoA was substituted to reflect the change in the name of the Company from “Earkart Private Limited” to “Earkart Limited”.</p>

Date of Shareholders Approval	Amendment
February 03, 2025	Clause V of the Memorandum of Association was amended to reflect the re-classification of its authorised share capital of our Company from ₹14,53,00,000 divided into 2,90,60,000 Equity Shares of face value of ₹5 each and 30,000 Compulsory Convertible Preference Shares of face value of ₹10 each to ₹ 14,50,00,000 divided into 1,45,00,000 Equity Shares of ₹10 each and 30,000 Compulsory Convertible Preference Shares of ₹10 each.

#### Major events and milestones in the history of our Company

Year	Key Milestones
2021	Launch of earKART CRM and dealer App
2022	Bureau of Indian Standards (BIS) license received
2022	First government order received for 10,000 Hearing Aids units
2023	Granted ISO 13485:2016
2023	Licence to Manufacture for Sale or for Distribution of Class A or Class B medical device
2024	Launch of ENT (Shop in Shop Model)
2024	Launch of remote video Audiometry Device OMNI
2024	Conversion into a Public Limited Company

#### Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as on the date of this Draft Prospectus.

#### Time and cost over-runs

There has been no time or cost over-runs in respect of our business operations as on the date of this Draft Prospectus.

#### Defaults or re-scheduling, restructuring of borrowings with financial institutions or banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

#### Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets etc. in past years

There have been no mergers, amalgamation, revaluation of assets etc. with respect to our Company in the past years.

#### Number of shareholders of our Company

Our Company has (42) Forty-Two Equity Shareholders as on the date of this Draft Prospectus.

#### Shareholders' agreement and other agreements

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

#### Inter-se agreements between Shareholders

As on the date of this Draft Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements, agreements and clauses / covenants which are material in nature and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. Also, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements, agreements of like nature.

#### **Other agreements**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

#### **Non-Compete agreement**

Our Company has not entered into any non-compete agreement as on the date of filing this Draft Prospectus.

#### **Details of Holding Company**

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

#### **Joint Ventures of our Company**

As on the date of this Draft Prospectus, our Company does not have any joint venture.

#### **Associate**

As on the date of this Draft Prospectus, our Company does not have any associate company.

#### **Subsidiary of our Company**

As on the date of this Draft Prospectus, our Company does not have any subsidiary company.

#### **Launch of key products or services, entry in new geographies or exit from existing markets**

For details of launch of key products or services, entry in new geographies or exit from existing markets, please refer to the chapter “Our Business” on page 135 of this Draft Prospectus.

#### **Lock-out or strikes**

There have been no lock-outs or strikes in our Company since inception.

#### **Changes in the activities of our Company during the last three years**

There has been no change in the business activities of our Company during the last three years from the date of this Draft Prospectus which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **Changes in the management**

For details of change in management, please see the section ‘Changes in our Board during the last three years’ in the chapter titled “Our Management” on page 169 of this Draft Prospectus.

#### **Changes in accounting policies in last three (3) years**

There have been no changes in accounting policies of our Company in last three years.

#### **Guarantees provided by our Promoters**

Except as disclosed in the chapter titled “Financial Indebtedness” on page 249 of this Draft Prospectus our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Prospectus.

### **Special Rights**

That no special rights are available to the Promoters or Shareholders in the AoA, at the time of filing of the Draft Prospectus.

### **Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee**

As on the date of the Draft Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

### **Details of Public Issues in past**

Our Company has not made public issue or rights issue under SEBI ICDR Regulations, in the past.

### **Other Confirmations**

Articles of Association (AoA) does not give any special rights of any kind to any person.

[The remainder of this page has intentionally been left blank]

## OUR MANAGEMENT

### Board of Director

In terms of the Companies Act and our Article of Association of our Company is required to have not less than three Directors and not more than fifteen Directors.

As on the date of this Draft Prospectus, Our Board comprises of One Managing Director, One Whole Time Director (Woman Director), Two Executive Director and Three Independent Director. For details on the strength of our Board, as permitted and required under the AoA, see “Main Provisions of Articles of Association” on page 310 of this Draft Prospectus.

Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and Companies Act in relation to the composition of our Board and its committees thereof.

Sr. No.	Name, DOB, Age, Designation, Address, Occupation, Nationality, Term and DIN	Other Directorships/Designated Partner
1)	<p><b>Name:</b> Rohit Misra</p> <p><b>Date of Birth:</b> August 05, 1973</p> <p><b>Age:</b> 51 years</p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Address:</b> 2037, Milano Tower, Mahagun Moderne, Sector 78, Noida, Gautam Buddha Nagar -201301, Uttar Pradesh</p> <p><b>Period of Directorship:</b> Director since August 17, 2022</p> <p><b>Term:</b> Five years from January 31, 2025 upto January 30, 2030</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00775537</p>	<p><b>A. Private Companies</b></p> <p>Nil</p> <p><b>B. Public Companies</b></p> <p>Nil</p> <p><b>C. Limited Liability Partnerships</b></p> <p>Nil</p> <p><b>D. Foreign Companies</b></p> <p>Nil</p>
2)	<p><b>Name:</b> Monika Misra</p> <p><b>Date of Birth:</b> March 24, 1972</p> <p><b>Age:</b> 53 years</p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> 2037, Milano Tower, Mahagun Moderne, Sector 78, Noida, Gautam Buddha Nagar -201301, Uttar Pradesh</p> <p><b>Period of Directorship:</b> Director since March 24, 2023</p> <p><b>Term:</b> Five years from January 31, 2025 upto January 30, 2030</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p>	<p><b>A. Private Companies</b></p> <p>Nil</p> <p><b>B. Public Companies</b></p> <p>Nil</p> <p><b>C. Limited Liability Partnerships</b></p> <p>Nil</p> <p><b>D. Foreign Companies</b></p> <p>Nil</p>

Sr. No.	Name, DOB, Age, Designation, Address, Occupation, Nationality, Term and DIN	Other Directorships/Designated Partner
	<b>DIN:</b> 06939593	
3)	<p><b>Name:</b> Ajay Kumar Giri</p> <p><b>Date of Birth:</b> July 12, 1987</p> <p><b>Age:</b> 37 years</p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> 22 A, Pocket-4, MIG flats, Mayur Vihar, Phase-3, East Delhi, Delhi-110096</p> <p><b>Period of Directorship:</b> Director since February 25, 2022</p> <p><b>Term:</b> Liable to Retire by Rotation</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 09505964</p>	<p><b>A. Private Companies</b></p> <p>NIL</p> <p><b>B. Public Companies</b></p> <p>Nil</p> <p><b>C. Limited Liability Partnerships</b></p> <p>Nil</p> <p><b>D. Foreign Companies</b></p> <p>Nil</p>
4)	<p><b>Name:</b> Rahul Salesha</p> <p><b>Date of Birth:</b> October 01, 1986</p> <p><b>Age:</b> 38 Years</p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> Flat No. 5214, Tower 5, Ace Golfshire, Sector 150, Noida, Gautam Buddha Nagar – 201301, Uttar Pradesh</p> <p><b>Period of Directorship:</b> Director since March 24, 2023</p> <p><b>Term:</b> Liable to Retire by Rotation</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 09540291</p>	<p><b>A. Private Companies</b></p> <p>NIL</p> <p><b>B. Public Companies</b></p> <p>NIL</p> <p><b>C. Limited Liability Partnership</b></p> <p>NIL</p> <p><b>D. Foreign Companies</b></p> <p>NIL</p>
5)	<p><b>Name:</b> Sidhartha Pradhan</p> <p><b>Date of Birth:</b> June 06, 1952</p> <p><b>Age:</b> 72 years</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> D-602, Som Vihar, R K Puram Sector 12, R. K. Puram Sector 5, South West Delhi-110022</p> <p><b>Period of Directorship:</b> Director Since January 31, 2025</p>	<p><b>A. Private Companies</b></p> <p>1. PGIM India Trustees Private Limited</p> <p><b>B. Public Companies</b></p> <p>1. Saral Home Finance Limited 2. Central Depository Services (India) Limited.</p> <p><b>C. Limited Liability Partnership</b></p>

Sr. No.	Name, DOB, Age, Designation, Address, Occupation, Nationality, Term and DIN	Other Directorships/Designated Partner
	<b>Term:</b> Five years from January 31, 2025 upto January 30, 2030 <b>Nationality:</b> Indian <b>Occupation:</b> Retired Government Officer (IRS) <b>DIN:</b> 06938830	NIL <b>D. Foreign Companies</b> NIL
6)	<b>Name:</b> Lakshman Shyam Singh <b>Date of Birth:</b> June 22,1982 <b>Age:</b> 43 years <b>Designation:</b> Independent Director <b>Address:</b> 18 Mahila Gram Colony Subedarganj, Allhabad - 211001, Uttar Pradesh. <b>Period of Directorship:</b> Director Since January 31, 2025 <b>Term:</b> Five years from January 31, 2025 upto January 30, 2030 <b>Nationality:</b> Indian <b>Occupation:</b> Professional <b>DIN:</b> 10913125	<b>A. Private Companies</b> NIL <b>B. Public Companies</b> NIL <b>C. Limited Liability Partnership</b> NIL <b>D. Foreign Companies</b> NIL
7)	<b>Name:</b> Rajhkumar Jaain <b>Date of Birth:</b> May 02, 1965 <b>Age:</b> 59 Years <b>Designation:</b> Independent Director <b>Address:</b> Tower-2, Flat No. 201, Lotus 300, Sector-107, Gautam Buddha Nagar, Noida-201301 <b>Period of Directorship:</b> Director Since January 31, 2025 <b>Term:</b> Five years from January 31, 2025 upto January 30, 2030 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>DIN:</b> 07753737	<b>A. Private Companies</b> 1. Remo Properties Private Limited 2. Bullzone Analytics Private Limited <b>B. Public Companies</b> NIL <b>C. Limited Liability Partnership</b> NIL <b>D. Foreign Companies</b> NIL

#### Brief profiles of our Directors:

##### Rohit Misra

He is the Promoter and Managing Director of the Company. He holds a B.Sc. from Meerut University (1993) and



He has completed his diploma in marketing management from Institute of Management Technology Ghazidabad in 1998. He has held senior roles at Glaxo, Allergan, Lumenis and Starkey Inc. and has over 30 years of experience in healthcare and led the team to achieve a Guinness World Record for fitting the most hearing-impaired individuals in a single day.

#### **Monika Misra**

She is the Promoter and Whole Time Director of the company. She holds a Bachelor of Science (1993) and Master of Science (1995) from Meerut University, along with a Bachelor of Education (1996) from Annamalai University. In 1997, she completed a course of study in Homeopathy, Naturopathy, and Biochemistry and passed examination from Institute of Healthcare Management in the year 1997. She was the Founder and Director of Skin Appeal, an advanced Dermatology and Cosmetology Center, for 10 years. In her current role, she provides leadership and manages day-to-day operations, including the audiology and customer service teams for hearing aids. She is also responsible for developing and implementing operational strategies, policies, and procedures to improve efficiency and drive business growth. She has been with the company since October 2021.

#### **Ajay Kumar Giri**

He is the Director and CFO of the Company, with a Master's degree in Commerce from Sikkim Manipal University (2014). With expertise in accounting and taxation, he previously served as Assistant Manager - Finance at Starkey Laboratories India Private Limited. He has been with our Company since 2021, leading the Accounts and Finance division.

#### **Rahul Salesha**

He is the Director of our company, He is holding a Bachelor's Degree in Commerce from Mumbai University (2008) and a Master of Science from Aston University. (2009). His expertise in delivering innovative, high-quality products to market, he helps in strengthening financial performance.

He has been associated with our company since 2023, where he oversees Product Development, Strategic Planning, Business Growth. Prior to joining us, he was with Starkey Laboratories India Private Limited.

#### **Sidhartha Pradhan**

Sidhartha Pradhan is an Independent Director of the Company. He holds Bachelor of Arts degree in Political Science in 1973, Further he has completed his Master of Arts in political Science in 1975 and Master of Philosophy in 1977, from Jawaharlal Nehru University (J.N.U.) In addition, he also holds a Bachelor of Laws degree in 1983 and a degree in Master of Business Administration from the University of Hull in the United Kingdom.

#### **Dr. Lakshman Singh**

Dr. Laxman Singh is an Independent Director of the Company. He holds a Bachelor's degree in Science (Physics and Mathematics) from the University of Allahabad (2002), and a Bachelor's degree in Engineering (Electronics and communication) from the same university (2005). In 2009, he earned a Post Graduate Diploma in Business Administration (Finance Management) from Symbiosis Centre for Distance Learning. Dr. Lakshman Singh also holds a Master's degree in Economics from Indira Gandhi National Open University (2013) and a Master of Science in Statistics from U.P. Rajarshi Tandon Open University (Allahabad). In 2020, he completed his Ph.D. in Management from Amity University. He has been serving as an Independent Director of the Company since January 2025.

#### **Rajhkumar Jaain**

Rajhkumar Jaain is an Independent Director of the Company. He is a qualified Chartered Accountant, having obtained his membership from the Institute of Chartered Accountants of India in 1989. With experience in the field of finance and accounting, he has previously been associated with LG Electronics India Limited, contributing over 30 years of professional expertise. He has been serving as an Independent Director of the Company since January 2025.

**Confirmations:****As on the date of this Draft Prospectus:**

- a) None of our Directors have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Prospectus with the SEBI, during the term of his/ her directorship in such company.
- b) Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- c) None of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them
- d) Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1) (p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- e) None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

**Arrangements or understanding with major shareholders, customers, suppliers or others**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the directors or KMPs were selected as a director or KMP or member of a senior management as on the date of this Draft Prospectus.

**Relationship between our Directors and Key Managerial Personnel and Senior Management**

Name of Director	Relation with	Relationship
Rohit Misra	Monika Misra	Spouse

Except as stated above none of our Directors are related to each other, or to any of the Key Managerial Personnel or Senior Management.

**Terms of Appointment of our Managing Director and Whole Time Director**

Particulars	Rohit Misra	Monika Misra
Appointment/Change in Designation	January 31, 2025	January 31, 2025
Current Designation	Managing Director	Whole Time Director
Terms of Appointment	5 Years w.e.f January 31, 2025	5 Years w.e.f January 31, 2025
Remuneration	₹300 Lakhs Per Annum	₹150 Lakhs Per Annum
Perquisites	As per Terms of Agreement and as may be determined by the Board in duly conveyed Board Meeting	As per Terms of Agreement and as may be determined by the Board in duly conveyed Board Meeting

**Sitting Fees to Non-Executive Directors and Independent Directors**

As per Articles of Association of our Company and pursuant to Board Resolution dated January 31, 2025 the remuneration payable in terms of sitting fees to the Directors (other than Managing Director & Whole-time Directors) including Independent Directors for attending the Meetings of the Board and Committee thereof shall not exceed the

limits prescribed under Section 197(5) of the Companies Act, 2013 and has approved an amount of maximum upto ₹21,000 for every Board Meeting attended.

#### **Contingent and deferred compensation payable to our Directors, Key Managerial Personnel and Senior Management**

As on the date of this Draft Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

#### **Loans to Directors**

None of our Directors have availed any loan from our Company.

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

#### **Bonus or Profit-Sharing Plan for our Directors:**

Except as stated in “Our Management”-Terms of Appointment of our Executive Directors” and “- Sitting Fees to Non-Executive Directors and Independent Directors” on pages 169, our Company does not have any bonus or profit-sharing plan for our Directors.

#### **Shareholding of our Directors in our Company**

Our Articles do not require our Directors to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Number of Equity Shares of face value of ₹10 each	% of Pre-Issue Equity Share Capital
Rohit Misra	79,04,397	75.72%
Monika Misra	1,34,692	1.29%
<b>Total</b>	<b>80,39,089</b>	<b>77.01%</b>

#### **Details of Borrowing Powers of Directors**

Pursuant to our Articles of Association, resolution passed by our Board at their meeting held on January 31, 2025 and resolution passed by our Shareholders at their meeting held on February 03, 2025, our Board is authorized to borrow, enhance and grant facility for the general, working capital and such other corporate purposes, from time to time as deemed by it to be requisite and proper, such that the monies to be borrowed together with the monies already borrowed by our Company do not exceed ₹100 crores (Rupees Hundred Crores) in excess of the aggregate of the paid share capital and free reserves of our Company as per its latest annual audited financial statements, apart from temporary loans obtained from the bankers of our Company in the ordinary course of business.

#### **Compensation of our Managing Director & Whole-Time Director**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act for the time being in force).

#### **Interest of our Directors**

Our Directors are interested in our Company in the following manner:

All our directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as sitting fees and commission, if any, payable to them for attending meetings of our Board and committees thereof.

Our directors may be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. For further details, please refer to chapter titled “Our Management – Shareholding of directors in our Company” and “Capital Structure” beginning on pages 169 and 75 respectively of this Draft Prospectus. Our Directors may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the equity shares held by them.

Some of our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase of packaging materials. For further details, please see “Restated Financial Information-Related Party Transactions” on page 191.

Except for Rohit Misra and Monika Misra, who may be deemed to be interested in the promotion or formation of our Company, none of our Directors have any interest in promotion or formation of our Company. For further details, please refer to chapter titled “Our Promoter and Promoter Group” beginning on page 184 of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

#### **Interest of Directors in the property of Our Company:**

None of our Directors are interested in any property acquired by our Company or proposed to be acquired by our Company.

#### **Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Draft Prospectus are as follows:

<b>Name</b>	<b>Date of Appointment / Re - Appointment</b>	<b>Reason for Change</b>
Priyadarshi Jha	Change in Designation as Managing Director w.e.f. December, 06 2021	To ensure better Corporate Governance and compliance with Companies Act, 2013
Ajay Kumar Giri	Appointed as Additional Director w.e.f. February 25, 2022	
Ajay Kumar Giri	Regularization as Executive Director on August 16, 2022	-
Rohit Misra	Appointed as Additional Director w.e.f. August 17, 2022	To ensure better Corporate Governance and compliance with Companies Act, 2013
Rahul Salesha	Appointed as Additional Director w.e.f. March 24, 2023	
Monika Misra	Appointed as Additional Director w.e.f. March 24, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Monika Misra	Regularization as Executive Director on September 29, 2023	-
Rahul Salesha		
Rohit Misra		

Name	Date of Appointment / Re - Appointment	Reason for Change
Priyadarshi Jha	Cessation w.e.f. November 30, 2023	Resignation due to personal Reason
Shailendra Yadav	Cessation w.e.f. July 10, 2024	Resignation due to personal Reason
Dr.Lakshman Singh	Appointed as Additional Independent Director w.e.f. January 31, 2025	To ensure better Corporate Governance and compliance with Companies Act, 2013
Sidhartha Pradhan		
Rajhkumar Jaain		
Dr.Lakshman Singh	Regularization as Independent Director w.e.f February 03, 2025	To ensure better Corporate Governance and compliance with Companies Act, 2013
Sidhartha Pradhan		
Rajhkumar Jaain		
Rohit Misra	Re-Designated as Managing Director w.e.f. January 31.2025	To ensure better Corporate Governance and compliance with Companies Act, 2013
Monika Misra	Re-Designated as Whole Time Director w.e.f. January 31.2025	

### Compliance with Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the BSE Limited (BSE SME). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board comprises of One (Managing Director), One (Whole Time Director) (Woman Director), Two (Executive Director) and Three (Independent Director).

The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

#### The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

#### A) Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, vide resolution passed in the meeting of the Board of Directors held on January 31, 2025.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The committee presently comprises the following 3 (Three) Directors.

### **Composition of Audit Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Sidhartha Pradhan	Chairman	Non-Executive Independent Director
Lakshman Singh	Member	Non-Executive Independent Director
Rohit Misra	Member	Managing Director

The Company Secretary of the Company acts as the Secretary to the Audit committee.

### **Role of the Audit Committee**

- 1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
  - h. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
- 5) 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.
- 6) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- 7) Approval or any subsequent modification of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- 8) Scrutiny of inter-corporate loans and investments.
- 9) Valuation of undertakings or assets of the Company, wherever it is necessary.
- 10) Evaluation of internal financial controls and risk management systems.

- 11) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 12) 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.
- 13) Discussion with internal auditors on any significant findings and follow up there on.
- 14) 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.
- 15) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 16) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 17) To review the functioning of the Whistle Blower mechanism, in case the same exists.
- 18) Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
- 19) To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- 20) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision.
- 21) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- 22) Monitoring the end use of funds raised through public issues and related matters.

The Audit Committee shall mandatorily review the following information:

- 1) Management Discussion and Analysis of financial condition and results of operations.
- 2) Management letters / letters of internal control weaknesses issued by the statutory auditors.
- 3) Internal audit reports relating to internal control weaknesses.
- 4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 5) Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- b) Annual statement of funds utilized for purposes other than those stated in the offer document/Prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **Powers of the Audit Committee**

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

#### **B) Stakeholders Relationship Committee**

Our Company has constituted a Stakeholders Relationship Committee to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted as per the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on January 31, 2025

#### **Composition of Stakeholders Relationship Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Rajhkumar Jaain	Chairman	Non-Executive Independent Director
Lakshman Singh	Member	Non-Executive Independent Director
Monika Misra	Member	Whole Time Director

The Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- 1) Redressal of shareholders'/investors' complaints.
- 2) Reviewing on a periodic basis the approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- 3) Issue of duplicate certificates and new certificates on split/consolidation/renewal.
- 4) Non-receipt of declared dividends, balance sheets of the Company.
- 5) Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **C) Nomination and Remuneration Committees**

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was approved by a Meeting of the Board of Directors held on January 31, 2025.

#### **Composition of Nomination and Remuneration Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Lakshman Singh	Chairman	Non-Executive Independent Director



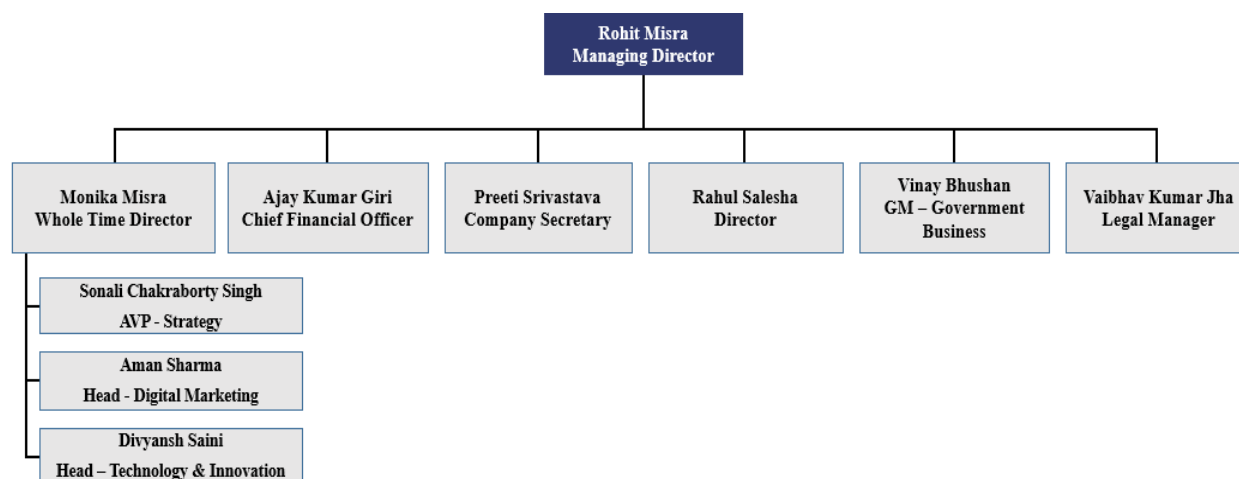
Name of the Director	Status	Nature of Directorship
Rajhkumar Jaain	Member	Non-Executive Independent Director
Sidhartha Pradhan	Member	Non-Executive Independent Director
Rohit Misra	Member	Managing Director

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

### **Role of Nomination and Remuneration Committee**

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
- 2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- 3) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 4) Devising a policy on diversity of Board of Directors.
- 5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- 6) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 7) Recommend to the board all remuneration, in whatever form, payable to senior management.
- 8) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

### **Management Structure**



## **Key Managerial Personnel and Senior Management**

### **Key Managerial Personnel**

The details of our Key Managerial Personnel, as of the date of this Draft Prospectus are as follows:

In addition to Rohit Misra, our Chairman and Managing Director and Monika Misra, our Whole Time Director whose details are provided in “Brief Profiles of our Directors” above, the details of our other Key Managerial Personnel as on the date of this Draft Prospectus are set forth below.

#### ***Preeti Srivastava (Company Secretary and Compliance Officer)***

**Preeti Srivastava** is a Company Secretary and Compliance Officer of our Company. She was appointed as the Company Secretaries and Compliance Officer of our Company on February 17, 2025. She holds Bachelor's degree in Commerce from Deendayal Upadhyay Gorakhpur University in the year 2005 and She is an Associate member of the Institute of Company Secretaries of India since 2012. Additionally, she also completed Bachelor's degree in law in the year 2021 from Chaudhay Charan Singh University, Meerut. she was associated with Richesm Healthcare Limited, Daffodil Hotels Private Limited, Rajesh Projects (India) Private Limited, PME Power Solutions (India) Limited. With over 10 years of experience in secretarial functions, she is responsible for overseeing the secretarial operations of our Company.

#### ***Ajay Kumar Giri (Chief Financial Officer)***

He is the Director and CFO of the Company, with a Master's degree in Commerce from Sikkim Manipal University (2014). With expertise in accounting and taxation, he previously served as Assistant Manager - Finance at Starkey Laboratories India Private Limited. He has been with our Company since 2021, leading the Accounts and Finance division.

### **Brief Profiles of our Senior Management Personnel:**

In addition to Ajay Kumar Giri (Chief Financial Officer), Preeti Srivastava (Company Secretary and Compliance Officer) of our Company, whose details are provided in above. The details of other Functional Head/Departmental Head of our Company, as on the date of this Draft Prospectus are set forth below:

#### ***Aman Sharma (Head of Digital Marketing)***

Aman Sharma, age about 30 years old, he has been with the company around 4 years and is currently the Head of Digital Marketing. He holds a Bachelor's degree in Computer Science & Engineering from Dr. A.P.J. Abdul Kalam Technical University, completed in 2016. Aman specializes in Digital Marketing and leads digital campaigns, using data analysis to improve performance and support the company's goals.

#### ***Sonali Chakrabarty Singh (AVP)***

Sonali Chakrabarty Singh, aged about 39 years old, holds a Bachelor's in Commerce from Lucknow University (2006) and an MBA from Uttar Pradesh Technical University (2008). She is currently the AVP - Strategy at the Company, where she oversees HR and Admin functions, ensuring smooth operations and a positive workplace culture.

#### ***Vaibhav Jha, (Legal Head)***

Vaibhav Jha, aged about 28 years, He has over five years of experience in the legal field, with expertise in Company Law, Labour Law, Industrial Law, Intellectual Property Rights (IPR), and IT Law. He is contributing to our legal operations. He holds a Master of Laws (LL.M.) degree from Teri School of Advance Study (New Delhi), completed in 2020, and a Bachelor of Laws (LL.B.) from Dr. Shakuntala Misra National Rehabilitation University, Lucknow, earned in 2019. He is also a registered member of the Bar Council of Uttar Pradesh and His legal expertise continues to drive the company's success.

### **Vinay Bhushan (GM-Government Business)**

Vinay Bhushan, aged about 44 years, He has completed his Bachelor of Pharmacy in 2004 from Kumaun University. He has completed his MBA from Gurukula Kangri Vishwavidyalaya in 2006 and became a registered pharmacist with the Uttarakhand Pharmacy Council (Dehradun) on October 10, 2007. He has experience in managing the entire tender process from initiation to submission ensuring full compliance with technical and regulatory requirements.

### **Divyansh Saini (Head-Technology & Innovation)**

Divyansh Saini, aged about 25 years old, holds Bachelor's degree in Technology in Electronics and communication Engineering from Dr. A.P.J Abdul Kalam Technical University, Uttar Pradesh (2021). He is currently the Head of Technology & Innovation. He is responsible for guiding EARKART's technology strategy and embedding a culture of innovation, in driving sustainable competitive advantage, enhancing operational efficiency of the Company.

### **Status of Key Managerial Personnel and Senior Management.**

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

### **Shareholding of Key Managerial Personnel**

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Prospectus.

<b>Sr. No.</b>	<b>Name of the Key Managerial Personnel/Senior Managerial Personnel</b>	<b>Shareholding</b>	<b>Percentage of Shareholding</b>
1)	Rohit Misra	79,04,397	75.72%
2)	Monika Misra	1,34,692	1.29%
3)	Sonali Chakrabarty Singh	4,983	0.05%
<b>Total</b>		<b>80,44,072</b>	<b>77.06%</b>

### **Service Contracts with Directors, Key Managerial Personnel and Senior Management Personnel and retirement & termination benefits**

Other than statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors or the Key Managerial Personnel or the Senior Management Personnel is entitled to any benefits upon termination of employment under any service contract with our Company. Further, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

### **Interest of Key Managerial Personnel and Senior Management**

Except as provided in chapter titled "Our Management– Interest of our Directors" on page 169 and to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business. Certain of our Key Managerial Personnel and Senior Management may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they are members or any partnership firm in which they are partners in the ordinary course of business. For further details, please see "Restated Financial Information-Related Party Transactions" on page 191.

### **Changes in Key Managerial Personnel during the last three years**

Changes in our Key Managerial Personnel during the years immediately preceding the date of this Draft Prospectus are set forth below.

<b>Name of Key Managerial Personnel</b>	<b>Designation</b>	<b>Nature</b>	<b>Date of Event</b>
Rohit Misra	Chief Executive Officer	Appointment	February 25, 2022
Priyadarshi Jha	Managing Director	Cessation	November 30, 2023
Rohit Misra	Managing Director	Re-Designation	January 31, 2025
Monika Misra	Whole Time Director	Re-Designation	January 31, 2025
Ajay Kumar Giri	Chief Financial Officer	Appointment	January 31, 2025
Geetika Chawla	Company Secretary	Cessation	February 15, 2025
Preeti Srivastava	Company Secretary	Appointment	February 17, 2025

Other than the above changes, there have been no changes to the Key Managerial Personnel of our company that are not in normal course of employment.

#### **Payment or benefit to officers of our Company**

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

#### **Employee Stock Options**

Our Company adopted the Earkart ESOP Scheme (“ESOP Scheme”) pursuant to the resolution passed by our Board on March 28, 2025, and the resolution passed by our Shareholders’ on April 21, 2025. The ESOP Scheme is in compliance with the SEBI Regulations and other applicable laws. Further, all grants of ESOPs under the ESOP Scheme are in compliance with the SEBI Regulations, to the extent applicable and the Companies Act, 2013.

From the date of adoption of the ESOP Scheme up to the date of this Draft Prospectus, our Company has not allotted any equity shares pursuant to the Scheme.

[The remainder of this page has intentionally been left blank]

## OUR PROMOTER AND PROMOTER GROUP



### Our Promoters:

1. Rohit Misra and
2. Monika Misra

As on the date of this Draft Prospectus, our Promoters hold an aggregate of 80,39,089 Equity Shares of face value of ₹10 each equivalent to 77.01% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

For further details of shareholding of our Promoters and Promoter Group, see section titled “Capital Structure” on page 75.

The details of our Promoters is provided below:

	<p><b>Rohit Misra</b></p> <p>He is the Promoter and the Managing Director of the Company. For further details, i.e., his date of birth, residential address, educational qualifications, professional experience, business and financial activities, other directorships, see “Our Management on page 169</p> <p>His permanent account number is AHFPM5307E.</p>
	<p><b>Monika Misra</b></p> <p>She is the Promoter and the Whole Time Director of the Company. For further details, i.e., her date of birth, residential address, educational qualifications, professional experience, business and financial activities, other directorships, see “Our Management on page 169.</p> <p>Her permanent account number is ANNPM3896L.</p>

### Confirmations/Declarations:

In relation to our Promoters, our Company confirms that the PAN, bank account numbers, passport numbers, Adhaar card number and driving license number shall be submitted to BSE Limited at the time of filing of this Draft Prospectus.

### Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- a) Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- b) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- c) No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.

- d) There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- e) The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 250 of this Draft Prospectus.
- f) None of our Promoters, person in control of our Company is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Change in the control of our Company**

At the time of its incorporation, the Company was promoted by Shailendra Yadav and Priyadarshi Jha, who were the original promoters. In October 2021, Rohit Misra and Monika Misra acquired a majority equity interest in the Company from the original promoters. Since the aforementioned acquisition, there has been no subsequent change in the control or ownership structure of the Company.

### **Interest of the Promoters**

#### *Interest in the promotion of Our Company*

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Prospectus, our Promoters, Rohit Misra and Monika Misra, collectively holds 80,39,089 Equity Shares in our Company i.e. 77.01% of the pre- Issue paid up Equity Share Capital of our Company.

Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment for details, please refer chapter titled Restated Financial Information - “Related Party Transactions” beginning on page 191 of this Draft Prospectus.

#### *Interest other than in promotion of our Company*

Our Promoters may also be considered interested to the extent of commission, sitting fees payable and reimbursement of expenses payable to them by virtue of being a Director of our Company.

For further information, please refer to chapter titled “Our Management” beginning on page 169 of this Draft Prospectus.

#### *Interest in property, land, construction of building and supply of machinery, etc.*

Except as stated under “Related Party Transactions” in the chapter titled “Restated Financial Information” on page 191, our Promoters have no interest in any property acquired by our Company in the three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company.

Further, our Promoters have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

### **Other Interest and Disclosures**

Except as stated under “Related Party Transactions” in the chapter titled “Restated Financial Information” on page 191 of this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him.

Our Promoters are not related to any sundry debtors of our Company except as disclosed in Restated Financial Information.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

### Promoter Group of our Company

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

#### a) Natural Persons who are part of the Promoter Group

##### Immediate Relatives of our Promoters

Name of the Promoter	Relationship/ reason for classification as promoter group	Name of the Promoter Group individual
Rohit Misra	Father	Rishiraj Swaroop Misra
	Mother	Mithilesh Misra
	Brother <sup>#</sup>	Rahul Misra
	Spouse	Monika Misra
	Sister	Juhi Misra
		Rashmi Tyagi
	Son	Devyansh Misra
		Aditya Misra
	Spouse Father	Mulkraj Soneja

Name of the Promoter	Relationship/ reason for classification as promoter group	Name of the Promoter Group individual
Monika Misra	Father	Mulkraj Soneja
	Spouse	Rohit Misra
	Son	Devyansh Misra
	Son	Aditya Misra
	Spouse Father	Rishiraj Swaroop Misra
	Spouse Mother	Mithilesh Misra
	Spouse Brother <sup>#</sup>	Rahul Misra
	Spouse Sister	Juhi Misra
	Spouse Sister	Rashmi Tyagi

Our Company had filed an exemption application dated January 02, 2025 with SEBI (the “Exemption Application”), seeking relaxation under Regulation 300(1)(c) of the SEBI ICDR Regulations from the strict enforcement of applicable provisions under the SEBI ICDR Regulations for identifying and disclosing Rahul Misra (Brother of our Promoter, Rohit Misra) as part of our Company’s “promoter group”, as defined under the SEBI ICDR Regulations on grounds of disassociation with the Promoter family. By its letter dated March 21, 2025 (the “Exemption Response”), SEBI has conveyed its decision to not grant our Company the exemptions sought in the Exemption Application, further directing our Company, among other actions, to classify and disclose the Rahul Misra as part of its Promoter Group in accordance with applicable requirements under the SEBI ICDR Regulations and include applicable disclosures about Rahul Misra and his connected entities in this DRHP and Prospectus on the basis of information available regarding Rahul Misra and his connected entities in the public domain. For further details, refer “Risk Factors – The Promoter Group does not include one of the relative of Promoter or any entity in which such relative may have interest. On chapter titled Risk Factor on page 29.

### Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1) (pp) (iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Sr. No.	Nature of Relationship	Entities
1.	Any Body Corporate in which 20% or more of the share capital is held by the Promoters or an immediate relative of the Promoters or a firm or HUF in which the Promoters or any one or more of his immediate relatives is a member.	1. Wishtown Enterprises Private Limited
2.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent or more, of the equity share capital; and	N.A.
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoters and their relatives is equal to or more than twenty per cent. of the total capital;	N.A.

### Details of entities would form part of our Promoter Group:

Sr. No.	Name of Entity	PAN	Address
1.	Wishtown Enterprises Private Limited	AACCW9010F	Flat No 403, Ground Floor, BLK-GH PKT 4, Upvan Apartment, Sec 28, Rohini, Badli (North West Delhi), Delhi-110042.

Other than as disclosed above, our Company has no other companies or entities that form part of our Promoter Group.

### Shareholding of the Promoter Group in our Company

For details of shareholding of members of our promoter group as on the date of this Draft Prospectus please see “Details of shareholding of our Promoters and members of the Promoter Group in our Company” Chapter titled “Capital Structure” on page 75 of this Draft Prospectus.

### Confirmations

The Company hereby confirms that:

- Our Promoters have not been declared as a Wilful Defaulters or Fraudulent Borrower
- Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our individual Promoter have not been declared as fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018.
- Our Promoters are not a promoter, director or person in control of any other company which is prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### Related Party Transactions

For details of related party transactions entered into by our Promoters, Promoter Group and our Company during the last financial three years and financial reporting period, the nature of transactions and the cumulative value of transactions, please refer to “Note-25-Related Party Transactions” in the chapter titled “Restated Financial Information” on page 191 of this Draft Prospectus.



#### **Payment or benefits to our Promoters and Promoter Group**

Except as stated otherwise under "Note 25-Related Party Transactions" in the chapter titled "Restated Financial Information" on page 191 of this Draft Prospectus about the related party transactions entered into during the last three (3) financial years and stub period as per GAAP and in "Interest of our Promoters" disclosed in this Chapter, there has been no other payment or benefit to our Promoter or Promoter Group nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Prospectus.

#### **Experience of the Promoters in the business of the Company**

Our Promoters has adequate experience in the business activities undertaken by our Company.

#### **Disassociation by the Promoters from entities in last three (3) years**

Except stated below none of Our Promoters have been disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Prospectus.

<b>Name of Promoter</b>	<b>Company</b>	<b>Date of Cessation</b>
Monika Misra	Wishtown Enterprises Private Limited	November 01, 2022

#### **Change in the management and control of our Company**

There has been no change in management and control of our Company during the last three years immediately preceding the date of filing of this Draft Prospectus.

#### **Material Guarantees**

There are no material guarantees given to third parties by the Promoters with respect to Equity Shares of the Issuer.

#### **Outstanding Litigation**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "Outstanding Litigation and Material Developments" beginning on page 250 of this Draft Prospectus.

[The remainder of this page has intentionally been left blank]

## **OUR GROUP COMPANIES**

In accordance with the SEBI ICDR Regulations, the term 'group companies' includes (i) such companies (other than promoter(s) and subsidiary(ies) with which there were related party transactions during the period for which financial information is disclosed in this Draft Prospectus, as covered under applicable accounting standards, and (ii) any other company, as considered material by our Board.

Subsequently, for (i) above, our Company has considered companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Prospectus, as covered under the applicable accounting standards.

In addition, for the purposes of (ii) above, the Board pursuant to the materiality policy adopted by the Board pursuant to its resolution dated January 31, 2025 has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Information) shall be considered 'material' and will be disclosed as a 'group company' in the offer document and offer documents, if (i) our Company has entered into one or more transactions with such company during the preceding completed Fiscal, which individually or cumulatively in value exceeds 10.00% of the total revenue from operations of our Company for the preceding completed Fiscal as per the Restated Financial Information.

Accordingly, as based on the parameters outlined above, as on date of this Draft Prospectus, our Board has not identified any group companies.

[The remainder of this page has intentionally been left blank]

## **DIVIDEND POLICY**

The dividend distribution policy of our Company was approved and adopted by our Board on January 31, 2025. In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal and external factors, including but not limited to, the profits earned during the financial year and the profits earned for any previous financial year, profit available for distribution, business expansion and growth, macro-economic environment, regulatory changes, taxation policy and other factors considered by our Board. The Articles of Association also provides discretion to our Board to declare and pay interim dividends.

Dividend would be declared on the face value of the Equity Shares and on per share basis of the Company. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable laws and will be determined, if and when the Company decides to issue other classes of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Our Company has not declared any dividends during period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022. The profits earned by our Company may either be retained and used for various purposes by our Company or may be distributed to the Shareholders. Our Company may from time to time, pay interim dividends. Further, our past practices in relation to declaration of dividend and, or, the amount of dividend paid is not necessarily indicative of our future dividend declaration. There is no guarantee that any dividends will be declared or paid of any amount, or with any frequency in the future.

*[Remainder of this page has been left intentionally blank]*

## SECTION V - FINANCIAL INFORMATION

### RESTATED FINANCIAL STATEMENTS

To,  
**The Board of Directors,**  
**Earkart Limited (Formerly known as Earkart Private Limited)**  
Shop No. 8-P, Street No. 6, Vasundhara Enclave,  
East Delhi -110096

Dear Sirs,

- 1) We have examined the attached Restated Financial Statements of **Earkart Limited (Formerly known as “Earkart Private Limited”)** (hereinafter referred to as “**the Company**”), comprising the Restated Statement of Assets and Liabilities as at December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flow for the financial year/period ended December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information” or “Restated Financial Statements”), as approved by the Board of Directors of the Company at their meeting held on May 26, 2025 for the purpose of inclusion in the Draft Prospectus/ Prospectus (“Draft Prospectus/Prospectus”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares on SME Platform ay BSE (“SME IPO”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c) The Guidance Note on ‘Reports in Company’s Prospectus (Revised 2019) ‘issued by the Institute of Chartered Accountants of India (‘ICAI ‘) as amended from time to time (the “Guidance Note”).
- 2) The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
- 3) We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 17, 2024 in connection with the proposed public offering of equity shares on SME Platform;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

- 4) The Restated Financial Statements have been extracted and compiled by the management from the Audited Financial Statements of the Company for the financial year/period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 which has been approved by the Board of Directors in meetings held on 26th May 2025, 30th August 2024, 8th September 2023 and 15th July 2022 respectively. The audit of the financial statements for the financial year/period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 have been conducted by M/s Timsi & Associates, Chartered Accountants, who have issued an unqualified audit reports on these financial statements for the respective years.
- 5) Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Financial Statements:
- a) The Restated Statement of Assets and Liabilities of the Company as at December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, as set out in **Annexure-I** (along with Notes 1 to 16) to this report, have been examined by us. These statements, read in conjunction with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements,' reflect adjustments, regroupings, and reclassifications that, in our opinion, were appropriate. These adjustments, which are more fully detailed in the statement of Material Adjustments to the Financial Statements, were made to present the Restated Financial Information as required. Consequently, the amounts reported in these statements differ from those appearing in the Company's audited financial statements for the respective financial years.
  - b) The Restated Statement of Profit and Loss of the Company for the financial year/period ended as at December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, as set out in **Annexure-II** (along with Notes 17 to 27) to this report, has been examined by us. These statements, read in conjunction with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements,' reflect adjustments, regroupings, and reclassifications that, in our opinion, were appropriate. These adjustments, which are more fully detailed in the statement of Material Adjustments to the Financial Statements, were made to present the Restated Financial Information as required. Consequently, the amounts reported in these statements may differ from those appearing in the Company's audited financial statements for the respective financial years.
  - c) The Restated Statement of Cash Flows of the Company for the for the financial year/period ended December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, as set out in **Annexure-III** to this report, has been examined by us. These statements, read in conjunction with the 'Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements,' include adjustments, regroupings, and reclassifications that, in our opinion, were necessary and appropriate. These adjustments, which are more fully described in the statement of Material Adjustments to the Financial Statements, were made to present the Restated Financial Information as required. Consequently, the amounts reported in these statements may not be identical to those appearing in the Company's audited financial statements for the respective financial years.
  - d) The books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company's Management.
- 6) Based on the above, and to the best of our information and according to the explanation given to us, we report that Restated Financial Information:
- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company.
  - b) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.
  - c) do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Financial Information and do not contain any qualification requiring adjustments.

- 7) We, **Singhi Chugh & Kumar, Chartered Accountants** have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
- 8) The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 3 above.
- 9) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Financial Information referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11) In our opinion, the above Restated Financial Information contained in **Annexure I to V** to this report read along with the respective Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** are prepared after making adjustments and regrouping as considered appropriate and have been prepared under the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 12) Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For Singhi Chugh & Kumar**  
**Chartered Accountants**  
**Firm's Registration: 013613N**

Sd/-  
**Harsh Kumar**  
**Partner**  
**Membership number: 088123**  
**UDIN: 25088123BMJAGR9318**

**Place: Delhi**  
**Date: May 26, 2025**

# Restated Summary Statement of Assets and Liabilities:

(₹ in lakhs, unless stated otherwise)

Particulars	Note No.	As at 31 <sup>st</sup> December, 2024	As at 31 <sup>st</sup> March,		
			2024	2023	2022
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	1	1,043.89	6.91	6.77	6.74
(b) Reserves & Surplus	2	763.09	1,296.58	649.47	471.94
<b>Non-Current Liabilities</b>		-	-	-	-
(a) Long-term Borrowings		-	-	-	-
(b) Long-term Provisions	3	15.62	10.39	6.18	2.01
(c) Deferred Tax Liabilities (Net)		-	-	-	-
<b>Current Liabilities</b>					
(a) Short-term Borrowings	4	467.40	400.11	121.42	25.00
(b) Trade Payables	5				
- total outstanding dues of Micro, Small and Medium enterprises; and		34.09	5.46	-	-
- total outstanding dues of creditors other than Micro, Small and Medium enterprises		469.96	100.52	584.04	50.34
(c) Short-term Provisions	6	226.17	63.75	37.22	11.20
(d) Other Current Liabilities	7	48.16	41.66	67.70	27.00
<b>Total Equity &amp; Liabilities</b>		<b>3,068.39</b>	<b>1,925.39</b>	<b>1,472.80</b>	<b>594.23</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment and Intangible Assets					
-Property, Plant and Equipment	8	92.32	77.08	16.11	14.27
-Intangible Assets	8	20.06	28.75	9.37	8.00
(b) Non-current Investments	9	7.66	18.79	10.49	146.25
(c) Deferred Tax Assets (Net)	10	8.94	5.01	3.61	0.73
(d) Long-term Loans and Advances		-	-	-	-
(e) Other Non-current Assets	11	107.57	105.68	82.75	5.44
<b>Current Assets</b>					
(a) Trade Receivables	12	2,357.44	633.95	469.88	161.75
(b) Inventories	13	352.84	621.59	549.15	74.78
(c) Cash and Cash Equivalents	14	5.53	137.87	58.20	7.27
(d) Short-term Loans and Advances	15	45.64	168.30	215.26	153.27
(e) Other Current Assets	16	70.37	128.35	57.98	22.48
<b>Total Assets</b>		<b>3,068.39</b>	<b>1,925.39</b>	<b>1,472.80</b>	<b>594.23</b>

For Singhi Chugh & Kumar  
Chartered Accountants  
Firm's Registration: 013613N

Sd/-  
Harsh Kumar  
Partner  
Membership number: 088123  
UDIN: 25088123BMJAGR9318

Place: Delhi  
Date: May 26, 2025

For and on behalf of the Board of Directors of  
Earkart Limited

Sd/-  
Rohit Misra  
Director  
DIN: 00775537

Sd/-  
Preeti Srivastava  
Company Secretary  
M.NO. A31615

Sd/-  
Ajay Kumar Giri  
Director & CFO  
DIN: 09505964

# Restated Summary Statement of Profit and Loss:

(₹ in lakhs, unless stated otherwise)

Particulars	Note No.	For the period ended December 31, 2024	For the year ended March 31,		
			2024	2023	2022
<b>A. Income</b>					
(a) Revenue from Operations	17	3,321.41	3,175.46	2,891.63	569.17
(b) Other Income	18	8.33	21.22	5.05	3.85
<b>Total Income</b>		<b>3,329.74</b>	<b>3,196.69</b>	<b>2,896.68</b>	<b>573.02</b>
<b>B. Expenses</b>					
(a) Cost of Materials Consumed	19	1,475.32	2,019.90	1,881.69	273.37
(b) Purchases of Stock-in-Trade	19	179.81	609.63	188.35	-
(c) Changes in inventories of finished goods, work in progress and stock-in- trade	20	307.37	(492.15)	(13.56)	(72.80)
(d) Employee Benefits Expense	21	300.83	341.48	297.20	148.98
(e) Finance Costs	22	30.32	33.25	5.66	-
(f) Depreciation and amortization Expense	23	30.25	18.76	15.02	5.98
(g) Other Expenses	24	290.79	341.43	377.07	206.27
<b>Total Expenses</b>		<b>2,614.69</b>	<b>2,872.31</b>	<b>2,751.44</b>	<b>561.80</b>
<b>Profit before Exceptional and Extraordinary Items and Tax (A) - (B)</b>		715.05	324.38	145.24	11.22
(a) Exceptional Items		-	-	-	-
<b>Profit before Extraordinary Items and Tax</b>		<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
(a) Extraordinary Items		-	-	-	-
<b>Profit Before Tax</b>		<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
<b>Tax expenses:</b>					
(a) Current tax		220.98	55.08	25.25	2.35
(b) Earlier Tax/Prior Period Tax		(5.48)	0.11	0.22	-
(c) Deferred Tax	10	(3.93)	(1.40)	(2.88)	(0.73)
(d) MAT Credit		-	(35.22)	(8.54)	(0.96)
<b>Profit for the year period</b>		<b>503.49</b>	<b>305.81</b>	<b>131.20</b>	<b>10.56</b>
<b>Earnings per equity share:</b>	27				
(a) Basic EPS		2.41	2.03	0.87	0.07
(b) Diluted EPS		2.41	1.46	0.63	0.05

For Singhi Chugh & Kumar  
Chartered Accountants  
Firm's Registration: 013613N

Sd/-  
**Harsh Kumar**  
Partner  
Membership number: 088123  
UDIN: 25088123BMJAGR9318

For and on behalf of the Board of Directors of  
Earkart Limited

Sd/-  
**Rohit Misra**  
Director  
DIN: 00775537

Sd/-  
**Ajay Kumar Giri**  
Director & CFO  
DIN: 09505964

Sd/-  
**Preeti Srivastava**  
Company Secretary  
M.NO.. A31615

Place: Delhi  
Date: May 26, 2025



## Restated Summary Statement of Cash Flows

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
<b>A. Cash Flows from Operating Activities:</b>				
Profit before tax & extraordinary items	715.05	324.38	145.24	11.22
<i>Adjustment for:</i>				
(a) Amortisation expense	0.43	0.57	0.57	0.57
(b) Depreciation	30.25	18.76	15.02	5.98
(c) Interest on borrowings	30.32	33.25	5.66	-
(d) Provision for doubtful debts	-	-	-	-
(d) Interest Income	-	(1.56)	(0.79)	(0.98)
(e) Other Adjustments	0.24	-	1.57	(0.59)
<b>Operating profit before Working Capital Changes</b>	<b>776.28</b>	<b>375.41</b>	<b>167.27</b>	<b>16.20</b>
<i>Adjusted for (increase)/decrease in operating assets:</i>				
(a) Decrease / (Increase) in Inventories	268.75	(72.44)	(474.37)	(74.78)
(b) Decrease / (Increase) in Trade Receivable	(1,723.49)	(164.08)	(308.13)	(161.75)
(c) (Increase)/ Decrease in Other Current Assets	57.98	(70.38)	(26.41)	(22.48)
(d) (Increase)/ Decrease in Loans & Advances	122.66	46.95	(61.99)	(153.27)
(e) Increase/ (Decrease) in Trade Payables and Other Current Liabilities	398.07	(478.06)	533.70	77.34
(f) Increase/ (Decrease) in Short term Borrowings	67.29	278.69	96.42	25.00
(g) Increase/ (Decrease) in Short term Provisions/Other Current liabilities	174.16	4.69	45.64	13.21
<b>Cash generated from Operations</b>	<b>141.70</b>	<b>(79.21)</b>	<b>(27.87)</b>	<b>(280.53)</b>
(a) Income tax paid	215.50	20.52	1.77	2.35
<b>Net Cash Generated From Operation (A)</b>	<b>(73.80)</b>	<b>(99.73)</b>	<b>(29.64)</b>	<b>(282.88)</b>
<b>B. Cash Flow From Investing Activities</b>				
(a) Purchase/Sale of Fixed Assets	(36.80)	(99.11)	(18.24)	(28.13)
(b) Investment in FD	11.13	(8.30)	135.75	(146.25)
(c) Interest Income	-	1.79	0.25	1.85
(d) Others	(2.56)	(23.17)	(77.88)	(5.44)
<b>Net Cash From / (used in) Investing Activities (B)</b>	<b>(28.22)</b>	<b>(128.79)</b>	<b>39.88</b>	<b>(177.97)</b>
<b>C. Cash Flow From Financing Activities</b>				
(a) Share Capital	-	341.44	46.36	468.12
(b) Interest paid on borrowings	(30.32)	(33.25)	(5.66)	-
<b>Net Cash from / (used in) Financing Activities (C)</b>	<b>(30.32)</b>	<b>308.19</b>	<b>40.70</b>	<b>468.12</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(132.34)</b>	<b>79.67</b>	<b>50.93</b>	<b>7.27</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the period/year</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents as at the end of the period/year</b>	<b>5.53</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>
<b>Cash &amp; Cash Equivalents consists of:</b>				
a) Cash on hand	0.60	2.01	0.03	-
b) Balances with banks	4.93	135.86	58.17	7.27
<b>Total</b>	<b>5.53</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>

**For Singhi Chugh & Kumar**  
Chartered Accountants  
Firm's Registration: 013613N

Sd/-  
**Harsh Kumar**  
Partner  
Membership number: 088123  
UDIN: 25088123BMJAGR9318

Place: Delhi  
Date: May 26, 2025

**For and on behalf of the Board of Directors of**  
**Earkart Limited**

Sd/-  
**Rohit Misra**  
Director  
DIN: 00775537

Sd/-  
**Preeti Srivastava**  
Company Secretary  
M.NO. A31615

Sd/-  
**Ajay Kumar Giri**  
Director & CFO  
DIN: 09505964

## **ANNEXURE – IV:**

### **SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION**

#### **COMPANY OVERVIEW**

Earkart Limited was originally incorporated as a private limited company under the name of 'Earkart Private Limited' under the provisions of The Companies Act, 2013 on 14th Apr'2021. Subsequently, the company converted into a Public Limited Company under the Companies Act, 2013 pursuant to a special resolution passed by the shareholders of the Company on November 27, 2024 under the name of "Earkart Limited" pursuant to a fresh Certificate of Incorporation dated December 18, 2024 issued by the Registrar of Companies, Central Processing Centre, bearing CIN: U74999DL2021PLC399313.

The main object of the company is to manufacture, sell, trade, provide after sales services (including user training) and undertake research and development of affordable hearing aids, MSIED Kits, TLM Kits & other rehabilitation products, including their components, accessories and parts thereof.

#### **A. SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Basis of Preparation of Financial Statement**

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the financial year/period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 (hereinafter collectively referred to as "**Restated Financial Information**") have been extracted by the management from the audited financial statements for the December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, approved by the respective Board of Directors of the companies.

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, and in accordance with the applicable provisions of the Companies Act, 2013 (the 'Act') and the accounting principles generally accepted in India ('Indian GAAP') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

##### **2. Use of estimates**

The preparation of interim Financial Statements is in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenses during the period.

These financial statements have been prepared to comply with Accounting Principles generally accepted in India, the Accounting Standards specified under the Companies Act 2013 read with Company (Accounting Standards) Rules, 2014 and other relevant provisions of the Companies Act, 2013. The Financial Statements are prepared on accrual basis under the historical cost convention.

The Management believes that the estimates used in preparation of interim financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/materialized.

##### **3. Cash and Bank Balances**

Cash comprises cash in hand, balance in bank accounts maintained with banks and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **4. Revenue and Expenditure recognition**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognized when the right to receive payment is established.

Accounting of Income and Expenditure is done on accrual basis and as per above principles.

#### **5. Employee benefits**

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences. The relevant benefits have been charged to Profit and loss account during the period under consideration.

Post-employment benefits

##### **(i) Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund, The Employees' State Insurance (ESI) scheme and Pension Scheme.

The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The company has made contributions under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 and recognized as expense during the period under consideration. The said contributions were made on timely basis.

##### **(ii) Defined benefit plan**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Statement of Profit and Loss.

The company has made provision on account of Gratuity expense as per the Accounting Standard 15- Employees Benefits prescribed under the Companies Act, 2013 and amount is provided on the basis of Actuarial valuation of the gratuity liability for the period from 01/04/2021 to 31/12/2024.

##### **Employee Separation Costs**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Statement of Profit and Loss in the period of exercise of option by the employee.

No such items are charged in profit and loss account during the period under consideration as not applicable.

## **6. Foreign Currency transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

Foreign currency monetary items are reported or carried in terms of historical cost denominated in a foreign currency reported using the exchange rate at the date of the transaction.

Exchange difference arising on the settlement at rates different from those at which they initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

## **7. Taxes on income**

Tax expense comprises of current tax and deferred tax.

Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. The company had claimed the deduction of an amount equal to one hundred per cent of the profits and gains derived from manufacturing business for the preceding three years under section 80-IAC of the Income tax Act, 1961 being allowed for three consecutive assessment years.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same. 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.

Minimum Alternative Tax (MAT) is calculated in accordance with the provisions of Income Tax Act 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as asset in the balance sheet.

Further Company is following ICDR requirement and Taxes has been recognized in the interim financial statement as per above mentioned principle

## **8. Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions involving substantial degree of estimation in measurement are recognized as per said principles.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are not recognized nor disclosed in this financial statement.

## **9. Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing 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.

## **10. Inventory**

The Company is following Weighted Average Method as a measurement of cost. The stock is valued at cost or NRV whichever is lower.

## **11. Property, Plant and equipment and Intangible Assets**

Fixed assets are recognized in Books at cost of acquisition and further stated at their written down value.

Cost includes purchase price, taxes and duties (non-creditable), labour cost and directly attributable overhead expenditure for self-constructed assets incurred up to the date the asset is ready for its intended use.

Depreciation on fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method, as per the manner prescribed in Schedule II to the Companies Act, 2013.

Expenditure against Capital Assets which are not ready to use as on balance sheet date are separately shown under Fixed Asset Schedule under Capital work in progress

## **12. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and loss statement in the period in which they incurred.

## **13. Impairment**

The carrying value of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the period in which as asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if a change in the estimates of the recoverable amount. No such relevant adjustment is required in the balance sheet for the period under consideration.

## **14. Segment Reporting**

Company is operating under a single segment.

Unless specifically stated to be otherwise, these policies are consistently followed and there is no change in significant accounting policies of the Company.

## **B. Notes on Accounts**

### **1. Material Regroupings**

The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

Material Adjustments in Restated Profit & Loss Account has been mentioned in Annexure V of the enclosed restated financial information. Prior period items have been adjusted in the year to which it relates. Other than this there is no material adjustment.

### **2. Provisions, Contingent Liabilities and Contingent Assets**

There are no contingent liabilities as on December 31, 2024 except a bank guarantees amounting to Rs 7.66 lacs (PY: Nil) in favor of Artificial Limbs Manufacturing Corporation of India (ALIMCO) have been issued in towards after-

sales support and warranty obligations under supply contracts.

### 3. Related Party Disclosure

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note 25 of the enclosed restated financial information

#### Annexure – V: Material Adjustments to the Restated Financial Statements

##### 1. Material Adjustments having impact on profit

The summary of results of restatement made in the Audited Financial Statements of the Company for the respective years and its impact on the profit/(loss) is as follows:

(Rs in lakhs)

Particulars	For the Period Ended Dec 31, 2024	For the Year Ended March 31, (Audited)		
		2024	2023	2022
<b>Net Profit after tax as per Audited Profit &amp; Loss Account (A)</b>	495.40	322.08	128.49	10.02
<b>Add/(Less) : Adjustments for:</b>				
1) Provision for doubtful debts	5.62	(17.47)	8.06	-
2) Depreciation	(5.49)	(0.81)	-	-
3) Provision for Gratuity	(5.25)	(4.22)	(4.20)	(2.01)
4) Expenses adjustment	15.69	-	(2.77)	2.77
5) Deferred tax impact on adjustments	2.95	1.40	1.28	0.57
6) Taxation impact on above	(5.43)	4.84	0.34	(0.79)
<b>Total Adjustments (B)</b>	<b>8.09</b>	<b>(16.26)</b>	<b>2.71</b>	<b>0.54</b>
<b>Profit after tax as Restated (A) + (B)</b>	<b>503.49</b>	<b>305.81</b>	<b>131.20</b>	<b>10.56</b>

2. Explanatory notes to the above restatements to profits made in the financial statement of the company for the respective years:

- Provision for doubtful debts:** Adjustment relates to a) Provision for doubtful debts created at 50% for receivables outstanding for more than 1 year and at 100% for those exceeding 2 years across all years, as no such provision was previously made by the management. b) Reversal of provision for doubtful debts in respect of receivables pertaining to FY23 made in FY24 has been adjusted to the financial year i.e. FY23 it belongs to.
- Depreciation:** Adjustment pertains to depreciation realignment due to reclassification of an asset from plant & machinery (under tangible assets) to software under intangible assets.
- Provision for Gratuity:** The liability for gratuity was not recognised in the earlier years. Accordingly, the same has now been recorded in the restated financials in line with the applicable statutory requirements.
- Expenses adjustment:** a) First adjustment pertains to the gratuity provision cumulatively recorded by the management in Dec'24 financials, covering liabilities for the past three financial years. This adjustment is made to nullify the single-year impact as the expense has now been recognised year-wise (Refer adjustment no. 3) in line with the period of accrual in restated financials. b) Second pertains to reversal of provision made for business promotion expense pertaining to FY22 made in FY23 has been adjusted to the respective financial year i.e. FY22 it relates to.
- Deferred Tax:** Due to changes in depreciation, provision for gratuity, and provision for doubtful debts, the related deferred tax impact has been recalculated and restated using the enacted tax rates.

6. **Impact on taxation:** The tax impact of the above adjustments has been computed at the applicable income tax rates and reflected through adjustments to deferred tax assets and liabilities as required.

3. Reconciliation of the Opening Balance of Balance in Profit & Loss Account for the FY 2021-2022.

(₹ in lakhs, unless stated otherwise)

Particulars	Fiscal 2022
*Opening Balance in Profit & Loss Account as per audited financial statements (A)	-
Add/(Less) : Adjustments on account of:	
-Bad debts written off pertaining to earlier years	-
-Provision for Income Taxes for Prior Period	-
Total Adjustments (B)	-
Restated opening Balance in Profit & Loss Account (A+B)	-

\*FY-22 was the company's first year of operations and thus, the Opening Balance in Profit & Loss Account for the year ended March, 31, 2021 is Nil.

4. Material Adjustments having no impact on profit:

*a. Material Regrouping*

Appropriate regrouping have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**For Singhi Chugh & Kumar**  
Chartered Accountants  
Firm's Registration: 013613N

Sd/-  
**Harsh Kumar**  
Partner  
Membership number: 088123  
UDIN: 25088123BMJAGR9318

Place: Delhi  
Date: May 26, 2025

**For and on behalf of the Board of Directors of**  
**Earkart Limited**

Sd/-  
**Rohit Misra**  
Director  
DIN: 00775537

Sd/-  
**Preeti Srivastava**  
Company Secretary  
M.NO.. A31615

Sd/-  
**Ajay Kumar Giri**  
Director & CFO  
DIN: 09505964

**Note -1: Statement of Share Capital as Restated**

(₹ in lakhs)

Particulars	As at December 31, 2024	As at 31st March,		
		2024	2023	2022
<b>(a) Authorized Share Capital</b>				
Post Split Equity shares of FV* of Rs.5/- each with voting rights (two ninety lacs equity shares of 5/- each)	1,450	-	-	-
Pre-Split Equity shares of FV*of Rs.10/- each with voting rights (one lac equity shares of Rs. 10/- each)	-	10.00	10.00	10.00
Compulsory Convertible Preference Shares of FV Rs.10/- each	3.00	3.00	2.00	2.00
<b>Total</b>	<b>1,453</b>	<b>13.00</b>	<b>12.00</b>	<b>12.00</b>
<b>(b) Issued, Subscribed and Fully Paid-up Share Capital</b>				
*Fully paid up Equity shares of FV of Rs.5/- each with voting rights- Post Conversion and Split	6.91	-	-	-
*Fully paid up Equity shares of FV of Rs.10/- each with voting rights - Pre Conversion and Split	-	5.00	5.00	5.00
Fully paid up Compulsory Convertible Preference Shares of FV*of Rs. 10/- each - Pre Conversion	-	1.91	1.77	1.74
**Fully paid up Bonus Share Issued during the period of FV of Rs 5/- each	1,036.98	-	-	-
<b>Total</b>	<b>1,043.89</b>	<b>6.91</b>	<b>6.77</b>	<b>6.74</b>

**1.1 Rights, Preferences and Restrictions attached to Shares****Authorized share capital**

During the period ended December 31, 2024, there is change in the Authorized share capital of the Company which has been increased as under:

- (i) Equity Share capital of ₹10,00,000/- being 100,000 Equity Shares of ₹10/- each increased to ₹14,50,00,000/- being 2,90,00,000 Equity Shares of ₹5/- each.
- (ii) However, the Authorized Preference share capital remains the same.

**Equity Shares**

\*The Company has only one class of equity shares having a par value of ₹5 The holders of the equity shares are entitled to receive dividends as declared from time to time, if any, and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders. The Board of Directors of the Company decided for sub dividing the Equity Shares of the Company, such that the total Share Capital of ₹6,91,320/- being 50,000 Equity Shares of ₹10/- each and 19,132 Preference Shares of ₹10/- each increased to ₹10,43,89,320/- being 2,08,77,864 Equity Shares of ₹5/- each. The said increase is on account of under mentioned reasons:

- ii. Pursuant to the approval of the shareholders accorded on 30th September, 2024 vide ordinary resolution in Extra Ordinary General Meeting conducted by the Company, each equity share of face value of ₹10 per share was sub-divided in to two equity shares of face value ₹5/- per share, with effect from 30<sup>th</sup> September, 2024.
- iii. Pursuant to approval given by the shareholders vide ordinary resolution in Extra Ordinary General Meeting on 30 Sep, 2024, the Company has issued 2,07,39,600 fully paid up bonus equity shares of Face value of Rs 5/- each in the ratio of 150 (One hundred Fifty) equity share of Rs 5/- each for every 1 (One) existing equity share of Rs 5/- each as on record date September 30, 2024.

\*\*The Board of Directors of the Company approved to capitalise a sum of Rs. 10,36,98,000/- (Rupees Ten Crore Thirty-Six Lakh Ninety Eight Thousand) out of the Company's Securities Premium Account or such other accounts as



are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2024 and that such amounts be transferred to the Share Capital Account and be applied for issue and allotment of 2,07,39,600 (Two Crores Seven Lakhs Thirty Nine Thousand and Six Hundred) Equity Shares of Rs. 5/- (Rupees Five only) each as Bonus Equity Shares in the ratio of 1:150, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names appear in the Register of Members / Beneficial Owners' position of the Company on 30 Sept, 2024 ("Record Date"), and that the new Bonus Equity Shares so issued and allotted shall be treated for all purposes as an increase of nominal amount of share capital of the Company held by each such members and not as income in lieu of dividend credited."

### Preference Shares

The Company has only one class of Preference shares namely compulsorily convertible preference shares all having a par value of Rs 10/-. The holders of the Preference shares are entitled to receive dividends as declared from time to time, if any, as per the terms laid out in shareholder's agreement and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders. The Preference shares shall be automatically converted to Equity shares on the 19th anniversary of the date of issue and allotment of securities.

### Equity Shares

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	As at December 31, 2024	As at 31st March,		
		2024	2023	2022
<b>Outstanding at the beginning of the reporting period</b>	50,000	50,000	50,000	-
Add:- Increase in equity shares on account of sub-division of shares from Face value of Rs.10/- to Rs.5/- each during the reporting period	69,132	-	-	50,000
Add:-Conversion of compulsorily convertible preference shares into equity shares (1:1)	19,132	-	-	-
Add:-Bonus Issued during the reporting period	20,739,600	-	-	-
<b>Outstanding at the end of the reporting period - After conversion &amp; sub-division</b>	<b>20,877,864</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

### Preference Shares

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	As at December 31, 2024	As at 31st March,		
		2024	2023	2022
<b>Opening number of shares outstanding at the beginning of the reporting period</b>	19,132	17,706	17,400	-
Add:- Shares issued during the reporting period	-	1,426	306	17,400
Conversion of compulsorily convertible preference shares into equity shares (Ratio 1:1).	(19,132)	-	-	-
<b>Closing number of outstanding shares at the close of the reporting period after conversion</b>	<b>-</b>	<b>19,132</b>	<b>17,706</b>	<b>17,400</b>

### Details of Shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31-12-2024			As at 31-03-2024		
	No. of shares held	% of Holding	% change during the period	No. of shares held	% of Holding	% change during the year
<b>Equity Shares</b>						
Rohit Misra (Promoter)	15,808,794	75.72%	33128.51%	47,576	95.15%	-
Ashneer Grover	1,863,944	8.93%	100%	-	-	-

Name of Shareholder	As at 31-12-2024			As at 31-03-2024		
	No. of shares held	% of Holding	% change during the period	No. of shares held	% of Holding	% change during the year
<b>Total</b>	<b>17,672,738</b>	<b>84.65%</b>		<b>47,576</b>	<b>95.15%</b>	<b>-</b>
<b>Preference Shares</b>						
Rohit Misra (Promoter)	-	-	-	3,699	19.33%	-
Ashneer Grover	-	-	-	6,172	32.26%	-
Sushma Ninad Shah	-	-	-	1,287	6.73%	-
Kumar Agneet	-	-	-	989	5.17%	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,147</b>	<b>63.49%</b>	<b>-</b>

**Details of Shareholders holding more than 5% shares in the company:**

Name of Shareholders	As at 31-03-2023			As at 31-03-2022		
	No. of shares held	% of Holding	% change during the year	No. of shares held	% of Holding	% change during the year
<b>Equity Shares</b>						
Rohit Misra (Promoter)	47,576	95.15%	-	47,576	95.15%	-
<b>Total</b>	<b>47,576</b>	<b>95.15%</b>	<b>-</b>	<b>47,576</b>	<b>95.15%</b>	<b>-</b>
<b>Preference Shares</b>						
Rohit Misra (Promoter)	3,699	20.89%	0.03%	3,700	21.26%	-
Ashneer Grover	6,172	34.86%	-	6,172	35.47%	-
Sushma Ninad Shah	1,287	7.27%	-	1,287	7.40%	-
Kumar Agneet	989	5.59%	-	989	5.68%	-
<b>Total</b>	<b>12,147</b>	<b>68.60%</b>		<b>12,148</b>	<b>69.82%</b>	<b>-</b>

**NOTE-2: STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
<b>(a) Securities Premium</b>				
Opening Balance	849.01	507.71	461.38	-
Add: Addition during the year	-	341.30	46.33	461.38
Less: Issue of fully paid Bonus Shares of Face value of Rs 5/- each	849.01	-	-	-
<b>Closing balance (A)</b>	<b>-</b>	<b>849.01</b>	<b>507.71</b>	<b>461.38</b>
<b>(b) Surplus as per Statement of Profit and Loss</b>				
Opening Balance	447.57	141.76	10.56	-
Add: Profit for the period/year	503.49	305.81	131.20	10.56
Less: Issue of fully paid Bonus Shares of Face value of Rs 5/- each	187.97	-	-	-
<b>Closing balance (B)</b>	<b>763.09</b>	<b>447.57</b>	<b>141.76</b>	<b>10.56</b>
<b>Total Reserve &amp; Surplus (A+B)</b>	<b>763.09</b>	<b>1,296.58</b>	<b>649.47</b>	<b>471.94</b>

**NOTE 3: STATEMENT OF LONG -TERM PROVISIONS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
<b>Provision for Employee Benefit*</b>				
-Provision for Gratuity	15.62	10.39	6.18	2.01
<b>Total</b>	<b>15.62</b>	<b>10.39</b>	<b>6.18</b>	<b>2.01</b>

\* Refer Note 29 for detailed note on employee benefits

**NOTE-4: STATEMENT OF SHORT-TERM BORROWINGS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
<b>(a) Secured</b>				
<u>Loans repayable on demand</u>				
-Cash credit from banks*	467.40	400.11	121.42	-
-From others	-	-	-	-
<b>Total</b>	<b>467.40</b>	<b>400.11</b>	<b>121.42</b>	<b>-</b>
<b>(b) Unsecured</b>				
<u>Loans from related parties</u>				
-Director:- Mr. Shailendra Yadav	-	-	-	25.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.00</b>
<b>Total Short-term Borrowings</b>	<b>467.40</b>	<b>400.11</b>	<b>121.42</b>	<b>25.00</b>

\*The company has availed cash credit facility from Punjab National Bank (PNB) to meet working capital requirement. The sanctioned amount is Rs.500 lakhs (Rupees Five hundred lacs only), secured against hypothecation of stocks and book debts and all other current assets both present and future along with movable block of assets forming part of fixed assets at interest rate of 9.6%.

**NOTE-5: STATEMENT OF TRADE PAYABLES AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
(i) Total outstanding dues to Micro Enterprises and Small Enterprises	34.09	5.46	-	-
(ii) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	469.96	100.52	584.04	50.34
<b>Total</b>	<b>504.04</b>	<b>105.98</b>	<b>584.04</b>	<b>50.34</b>

**Trade Payables ageing schedule as on December 31, 2024**

(₹ in lakhs, unless stated otherwise)

Ageing of Trade payables		As at December 31, 2024				
Particulars	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	34.09	-	-	-	<b>34.09</b>
(ii) Others	-	383.53	86.43	-	-	<b>469.96</b>
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>417.6</b>	<b>86.4</b>	<b>-</b>	<b>-</b>	<b>504.04</b>

**Trade Payables ageing schedule as on March 31, 2024**

(₹ in lakhs, unless stated otherwise)

Particulars	As at March 31, 2024					
	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	5.46	-	-	-	5.46
(ii) Others	-	100.52	-	-	-	100.52
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	-	<b>105.98</b>	-	-	-	<b>105.98</b>

**Trade Payables ageing schedule as on March 31, 2023**

(₹ in lakhs, unless stated otherwise)

Particulars	As at March 31, 2023					
	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	584.04	-	-	-	584.04
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>0.00</b>	<b>584.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>584.04</b>

**Trade Payables ageing schedule as on March 31, 2022**

(₹ in lakhs, unless stated otherwise)

Particulars	As at March 31, 2022					
	Amount Not Due	Outstanding for the following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	50.34	-	-	-	50.34
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	-	<b>50.34</b>	-	-	-	<b>50.34</b>

(a) No interest is paid/payable during the year to any enterprise registered under the MSME Act.

(b) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSME.

(c) Ageing has been considered from the date of transaction.

**NOTE-6: STATEMENT OF SHORT-TERM PROVISIONS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at 31st March,		
		2024	2023	2022
<b>a) Provision for employee benefits</b>				
-Provision for Gratuity	0.07	0.05	0.03	0.01
<b>b) Other Provisions</b>				
-Provision for Income Tax	216.59	55.53	26.04	2.35
-Provision for Statutory Dues	9.51	8.18	11.15	8.85
-Provision for Doubtful debts	-	-	-	-
<b>Total</b>	<b>226.17</b>	<b>63.75</b>	<b>37.22</b>	<b>11.20</b>

**NOTE-7: STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
a) Advance from Customers	4.43	2.57	21.11	0.26
b) Other Payables				
-Salary payable to employees	25.18	22.89	16.89	23.19
-Expense payable to employees	10.22	4.85	16.87	2.56
-Other expenses payables	6.53	3.75	12.83	0.99
-Refundable security deposits	1.80	7.60	-	-
<b>Total</b>	<b>48.16</b>	<b>41.66</b>	<b>67.70</b>	<b>27.00</b>

**Note- 8: Property, Plant & Equipment and Intangibles as at 31.12.2024**

(₹ in lakhs, unless stated otherwise)

	Particulars	Gross Amount				Depreciation & Amortization				WDV as at 31.12.2024	Net Carrying Amount	
		Cost as on 01.04.2024	Additions during period	Deletions during the period	Cost as at 31.12.2024	Upto 31.03.2024	Depreciation for the period	Deletion during the period	Upto 31.12.2024		WDV as at 31.03.2024	Rate Of Dep
<b>Tangible Assets</b>												
1	Data Processing Equipment's											
(i)	Server and Networks	3.27	-	-	3.27	2.25	0.30	-	2.55	0.72	1.02	39.30%
(ii)	End user devices	28.59	7.95	-	36.54	13.88	8.35	-	22.23	14.31	14.71	63.16%
2	Furniture & Fittings	2.16	-	-	2.16	0.91	0.24	-	1.15	1.01	1.25	25.89%
3	Office Equipment	4.99	-	-	4.99	3.02	0.67	-	3.69	1.30	1.97	45.07%
4	Airconditioner	0.86	-	-	0.86	0.61	0.09	-	0.69	0.17	0.25	45.07%
5	Plant & Machinery	61.71	26.84	-	88.55	3.83	9.90		13.73	74.82	57.88	45.07%
<b>Total (a)</b>		<b>101.58</b>	<b>34.79</b>	<b>-</b>	<b>136.37</b>	<b>24.50</b>	<b>19.55</b>	<b>-</b>	<b>44.05</b>	<b>92.32</b>	<b>77.08</b>	
<b>Intangible Assets</b>												
1	Software	44.01	2.01	-	46.02	15.26	10.70	-	25.95	20.06	28.75	63.16%
<b>Total (b)</b>		<b>44.01</b>	<b>2.01</b>	<b>-</b>	<b>46.02</b>	<b>15.26</b>	<b>10.70</b>	<b>-</b>	<b>25.95</b>	<b>20.06</b>	<b>28.75</b>	
<b>Total (a+b)</b>		<b>145.59</b>	<b>36.80</b>	<b>-</b>	<b>182.39</b>	<b>39.76</b>	<b>30.25</b>	<b>-</b>	<b>70.00</b>	<b>112.38</b>	<b>105.83</b>	
<b>Previous Year</b>		<b>46.48</b>	<b>99.11</b>	<b>-</b>	<b>145.59</b>	<b>21.00</b>	<b>18.76</b>	<b>-</b>	<b>39.76</b>	<b>105.83</b>	<b>25.49</b>	

Property, Plant & Equipment and Intangibles as at 31.03.2024

(₹ in lakhs, unless stated otherwise)

S.No.	Particulars	Gross Amount				Depreciation & Amortization				WDV as at 30.03.2024	Net Carrying Amount	
		Cost as on 01.04.2023	Additions during the year	Deletions during the year	Cost as at 31.03.2024	Upto 31.03.2023	Depreciation for the year	Deletion during the year	Up to 31.03.2024		WDV as at 31.03.2023	Rate Of Dep
<b>Tangible Assets</b>												
1	Data Processing Equipments											
(i)	Server and Networks	3.27	-	-	3.27	1.59	0.66	-	2.25	1.02	1.68	39.30%
(ii)	End user devices	12.64	15.96	-	28.59	8.60	5.29	-	13.88	14.71	4.04	63.16%
2	Furniture & Fittings	1.63	0.53	-	2.16	0.51	0.40	-	0.91	1.25	1.12	25.89%
3	Office Equipment	4.24	0.75	-	4.99	1.56	1.46	-	3.02	1.97	2.68	45.07%
4	Airconditioner	0.86	-	-	0.86	0.40	0.21	-	0.61	0.25	0.46	45.07%
5	Plant & Machinery	6.70	55.01	-	61.71	0.57	3.26	-	3.83	57.88	6.13	45.07%
<b>Total (a)</b>		<b>29.34</b>	<b>72.25</b>	<b>-</b>	<b>101.58</b>	<b>13.22</b>	<b>11.28</b>	<b>-</b>	<b>24.50</b>	<b>77.08</b>	<b>16.11</b>	
<b>Intangible Assets</b>												
1	Software	17.14	26.86	-	44.01	7.77	7.48	-	15.26	28.75	9.37	63.16%
<b>Total (b)</b>		<b>17.14</b>	<b>26.86</b>	<b>-</b>	<b>44.01</b>	<b>7.77</b>	<b>7.48</b>	<b>-</b>	<b>15.26</b>	<b>28.75</b>	<b>9.37</b>	
<b>Total (a+b)</b>		<b>46.48</b>	<b>99.11</b>	<b>-</b>	<b>145.59</b>	<b>21.00</b>	<b>18.76</b>	<b>-</b>	<b>39.76</b>	<b>105.83</b>	<b>25.49</b>	
<b>Previous Year</b>		<b>28.24</b>	<b>18.24</b>	<b>-</b>	<b>46.48</b>	<b>5.98</b>	<b>15.02</b>	<b>-</b>	<b>21.00</b>	<b>25.49</b>	<b>22.27</b>	

Note- 8: Property, Plant & Equipment and Intangibles as at 31.03.2023

(₹ in lakhs, unless stated otherwise)

S.No.	Particulars	Gross Amount				Depreciation & Amortization				WDV as at 31.03.2023	Net Carrying Amount	
		Cost as on 01.04.2022	Additions during the year	Deletions during the year	Cost as at 31.03.2023	Upto 31.03.2022	Depreciation for the year	Deletion during the year	Up to 31.03.2023		WDV as at 31.03.2022	Rate Of Dep
<b>Tangible Assets</b>												
1	Data Processing Equipments											
(i)	Server and Networks	3.27	-	-	3.27	0.51	1.09	-	1.59	1.68	2.76	39.30%
(ii)	End user devices	10.83	1.80	-	12.64	2.85	5.75	-	8.60	4.04	7.99	63.16%

S.No.	Particulars	Gross Amount				Depreciation & Amortization				WDV as at 31.03.2023	Net Carrying Amount	
		Cost as on 01.04.2022	Additions during the year	Deletions during the year	Cost as at 31.03.2023	Upto 31.03.2022	Depreciation for the year	Deletion during the year	Up to 31.03.2023		WDV as at 31.03.2022	Rate Of Dep
2	Furniture & Fittings	1.56	0.07	-	1.63	0.12	0.39	-	0.51	1.12	1.44	25.89%
3	Office Equipment	1.78	2.45	-	4.24	0.54	1.01	-	1.56	2.68	1.24	45.07%
4	Airconditioner	0.86	-	-	0.86	0.02	0.38	-	0.40	0.46	0.84	45.07%
5	Plant & Machinery	-	6.70	-	6.70	-	0.57	-	0.57	6.13	-	45.07%
<b>Total (a)</b>		<b>18.31</b>	<b>11.03</b>	<b>-</b>	<b>29.34</b>	<b>4.04</b>	<b>9.19</b>	<b>-</b>	<b>13.22</b>	<b>16.11</b>	<b>14.27</b>	
<b>Intangible Assets</b>												
1	Software	9.94	7.21	-	17.15	1.94	5.83	-	7.77	9.37	8.00	63.16%
<b>Total (b)</b>		<b>9.94</b>	<b>7.21</b>	<b>-</b>	<b>17.15</b>	<b>1.94</b>	<b>5.83</b>	<b>-</b>	<b>7.77</b>	<b>9.37</b>	<b>8.00</b>	
<b>Total (a+b)</b>		<b>28.24</b>	<b>18.24</b>	<b>-</b>	<b>46.48</b>	<b>5.98</b>	<b>15.02</b>	<b>-</b>	<b>21.00</b>	<b>25.49</b>	<b>22.27</b>	
<b>Previous Year</b>		<b>-</b>	<b>28.76</b>	<b>0.52</b>	<b>28.24</b>	<b>-</b>	<b>5.98</b>	<b>-</b>	<b>5.98</b>	<b>22.27</b>	<b>-</b>	

**Property, Plant & Equipment and Intangibles as at 31.03.2022**

(₹ in lakhs, unless stated otherwise)

S.No.	Particulars	Gross Amount				Depreciation & Amortization				WDV as at 31.03.2022	Net Carrying Amount	
		Cost as on 01.04.2021	Additions during the year	Deletions during the year	Cost as at 31.03.2022	Upto 31.03.2021	Depreciation for the year	Deletion during the year	Up to 31.03.2022		WDV as at 31.03.2021	Rate Of Dep
1	Data Processing Equipments											
(i)	Server and Networks	-	3.27	-	3.27	-	0.51	-	0.51	2.76	-	39.30%
(ii)	End user devices	-	11.35	0.52	10.83	-	2.85	-	2.85	7.99	-	63.16%
2	Furniture & Fittings	-	1.56	-	1.56	-	0.12	-	0.12	1.44	-	25.89%
3	Office Equipment	-	1.78	-	1.78	-	0.54	-	0.54	1.24	-	45.07%
4	Air conditioner	-	0.86	-	0.86	-	0.02	-	0.02	0.84	-	45.07%
<b>Total (a)</b>		<b>-</b>	<b>18.83</b>	<b>518.00</b>	<b>18.31</b>	<b>-</b>	<b>4.04</b>	<b>-</b>	<b>4.04</b>	<b>14.27</b>	<b>-</b>	
<b>Intangible Assets</b>												



S.No.	Particulars	Gross Amount				Depreciation & Amortization					Net Carrying Amount	
		Cost as on 01.04.2021	Additions during the year	Deletions during the year	Cost as at 31.03.2022	Upto 31.03.2021	Depreciation for the year	Deletion during the year	Up to 31.03.2022	WDV as at 31.03.2022	WDV as at 31.03.2021	Rate Of Dep
1	Software	-	9.94	-	9.94	-	1.94	-	1.94	8.00	-	63.16%
<b>Total (b)</b>		-	9.94	-	9.94	-	1.94	-	1.94	8.00	-	
<b>Total (a+b)</b>		-	<b>28.76</b>	<b>0.52</b>	<b>28.24</b>	-	<b>5.98</b>	-	<b>5.98</b>	<b>22.27</b>	-	-
<b>Previous Year</b>		-	-	-	-	-	-	-	-	-	-	

**NOTE- 9: STATEMENT OF NON-CURRENT INVESTMENT AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
Balance in Fixed Deposits with banks	7.66	18.79	10.49	146.25
<b>Total</b>	<b>7.66</b>	<b>18.79</b>	<b>10.49</b>	<b>146.25</b>

Note: Fixed Deposit amounting to Rs 7.66 lacs (PY: Rs 7.66 lacs) has been pledged with the bank as cash margin against the bank guarantee.

**NOTE - 10: STATEMENT OF DEFERRED TAX ASSETS**

Note -10.1 - Deferred Tax Working as per Restated Financial Statements

(₹ in lakhs, unless stated otherwise)

Particulars	As at 31.12.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
WDV as per Company Act, 2013	112.38	105.83	25.49	22.27
Less: WDV as per Income Tax Act, 1961	128.52	113.40	32.24	22.86
Provision for Gratuity as per Companies Act	15.69	10.43	6.21	2.01
Provision as per Income Tax Act, 1961	-	-	-	-
Timing Difference due to Fixed Assets	16.14	7.56	6.75	0.59
Timing Difference due to Gratuity	15.69	10.43	6.21	2.01
Difference due to non deduction of TDS	0.30	-	-	-
Timing Difference due to provision for doubtful debts	-	-	-	-
Net Timing Difference	32.13	18.00	12.96	2.61
(x) Tax Rate	27.82	27.82	27.82	27.82
<b>Deferred Tax Assets</b>	<b>8.94</b>	<b>5.01</b>	<b>3.61</b>	<b>0.73</b>
Previous Year's Deferred Tax Assets	5.01	3.61	0.73	-
Add: Short/(Excess) of Previous year	-	-	-	-
<b>Debit/(Credit) to P&amp;L Account</b>	<b>(3.93)</b>	<b>(1.40)</b>	<b>(2.88)</b>	<b>(0.73)</b>

Note -10.2 - Deferred Tax Working as per Audited Financial Statements

(₹ in lakhs, unless stated otherwise)

Particulars	As at 31.12.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
WDV as per Company Act, 2013	118.68	106.64	25.49	22.27
Less: WDV as per Income Tax Act, 1961	128.52	113.40	32.24	22.86
Provision for Gratuity as per Companies Act	-	-	-	-
Provision as per Income tax act	-	-	-	-
Timing Difference due to Depreciation	9.85	6.76	6.75	0.59
Timing Difference due to Gratuity	-	-	-	-
Net Timing Difference	9.85	6.76	6.75	0.59
(x) Tax Rate	27.82	26.00	26.00	26.00
<b>Deferred Tax Assets</b>	<b>2.74</b>	<b>1.76</b>	<b>1.75</b>	<b>0.15</b>
Previous Year's Deferred Tax Asset	1.76	1.75	0.15	-
Add: Short Provision of Previous year	-	-	-	-
<b>Debit/(Credit) to P&amp;L Account</b>	<b>(0.98)</b>	<b>(0.00)</b>	<b>(1.60)</b>	<b>(0.15)</b>

**Note 10.3 - Difference in Deferred Tax Working as per Audited Financials and Restated Financials**

(₹ in lakhs, unless stated otherwise)

Particulars	As at 31.12.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax Asset as Per Restated BS	8.94	5.01	3.61	0.73
Deferred Tax Asset as Client BS	2.74	1.76	1.75	0.15
<b>Add: Short/(Excess)</b>	<b>6.20</b>	<b>3.25</b>	<b>1.85</b>	<b>0.57</b>

(₹ in lakhs, unless stated otherwise)

Particulars	As at 31.12.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax Asset/(Liability) as Restated P&L	(3.93)	(1.40)	(2.88)	(0.73)
Deferred Tax Asset/(Liability) as Client P&L	(0.98)	(0.00)	(1.60)	(0.15)
<b>Add: Short/(Excess)</b>	<b>(2.95)</b>	<b>(1.40)</b>	<b>(1.28)</b>	<b>(0.57)</b>

**NOTE-11: STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
a) Security deposits- Rent & EMD	106.86	104.54	81.04	3.16
b) Others	-	-	-	-
-Preliminary expenses not written off	0.71	1.14	1.71	2.28
<b>Total</b>	<b>107.57</b>	<b>105.68</b>	<b>82.75</b>	<b>5.44</b>

Note: Earnest Money Deposits amounting to Rs.99.76 lacs (PY: 99.72 lacs) have been submitted against tenders, primarily for contracts involving supply and warranty obligations. These are recoverable upon completion of contractual terms.

**NOTE-12: STATEMENT OF TRADE RECEIVABLES AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
a) Secured, considered good	-	-	-	-
b) Unsecured, considered good	2,351.64	626.53	468.58	161.75
c) Doubtful	14.68	16.83	2.60	-
<b>Total</b>	<b>2,366.32</b>	<b>643.36</b>	<b>471.18</b>	<b>161.75</b>
Less: Provision for doubtful receivables	8.87	9.41	1.30	-
<b>Total</b>	<b>2,357.44</b>	<b>633.95</b>	<b>469.88</b>	<b>161.75</b>

Note 12.1: Ageing of Trade Receivables as at December 31, 2024

(₹ in lakhs, unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	2,122.27	229.37	-	-	-	2,351.64
(ii) Undisputed Trade Receivables-considered doubtful	-	-	11.60	1.34	1.74	14.68
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2122.27</b>	<b>229.37</b>	<b>11.60</b>	<b>1.34</b>	<b>1.74</b>	<b>2366.32</b>

Note 12.2: Ageing of Trade Receivables as at March 31, 2024

(₹ in lakhs, unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	607.18	19.35	-	-	-	<b>626.53</b>
(ii) Undisputed Trade Receivables-considered doubtful	-	-	14.85	1.98	-	<b>16.83</b>
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>607.18</b>	<b>19.35</b>	<b>14.85</b>	<b>1.98</b>	<b>-</b>	<b>643.36</b>

Note 12.3: Ageing of Trade Receivables as at March 31, 2023

(₹ in lakhs, unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	446.07	22.51	-	-	-	<b>468.58</b>
(ii) Undisputed Trade Receivables-considered doubtful	-	-	2.60	-	-	<b>2.60</b>
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>446.07</b>	<b>22.51</b>	<b>2.60</b>	<b>-</b>	<b>-</b>	<b>471.18</b>

Note 12.4: Ageing of Trade Receivables as at March 31, 2022

(₹ in lakhs, unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than	

					3 years	
(i) Undisputed Trade Receivables-considered good	161.75	-	-	-	-	161.75
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>161.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161.75</b>

#### NOTE-13: STANDALONE STATEMENT OF INVENTORIES AS RESTATED

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
<b>a) Inventories:</b>				
-Raw Materials**	81.70	43.08	149.51	1.98
-Work-in-progress	-	-	-	-
-Finished Goods	139.33	435.14	62.94	72.80
-Stock-in-Trade	131.81	143.37	23.42	-
<b>b) Goods-in-Transit</b>				
-Raw Materials**	-	-	313.28	-
-Work-in-progress	-	-	-	-
-Finished Goods	-	-	-	-
-Stock-in-Trade	-	-	-	-
<b>Total</b>	<b>352.84</b>	<b>621.59</b>	<b>549.15</b>	<b>74.78</b>

\*Mode of valuation: Cost or Net Realisable Value whichever is lower.

\*\* Includes Packing Materials

#### NOTE-14: STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
a) Cash on hand	0.60	2.01	0.03	-
b) Balances with bank on current account	4.93	135.86	58.17	7.27
c) Fixed Deposit	-	-	-	-
<b>Total</b>	<b>5.53</b>	<b>137.87</b>	<b>58.20</b>	<b>7.27</b>

#### NOTE-15: STATEMENT OF SHORT-TERM LOANS AND ADVANCES AS RESTATED

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
<b>a) Loans and advances to Related Parties</b>	-	-	-	-
<b>b) Other loans and advances</b>				
<u>Unsecured, considered good</u>				
-Advances to vendors	40.18	159.92	205.46	147.30
-Advances to other creditors	1.20	1.52	2.40	4.69
-Advance to employees	0.48	-	-	0.20
-Employees imprest account	-	-	-	0.12
Prepaid expenses	3.78	6.87	7.40	0.96
<b>Total</b>	<b>45.64</b>	<b>168.30</b>	<b>215.26</b>	<b>153.27</b>

**NOTE-16: STATEMENT OF OTHER CURRENT ASSETS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	As at December 31, 2024	As at March 31,		
		2024	2023	2022
a) Balance with statutory authorities	17.16	39.28	42.38	20.45
b) Interest accrued on Fixed Deposits	0.37	0.57	0.33	0.87
c) MAT Credit Entitlement	50.10	44.62	9.50	0.96
d) Security deposits- Rent & Others	-	-	0.70	-
e) Advance Income Tax and TDS	2.74	43.89	5.05	0.20
<b>Total</b>	<b>70.37</b>	<b>128.35</b>	<b>57.98</b>	<b>22.48</b>

**NOTE-17: STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Revenue from Operations:</b>				
<b>A) Sale of Products:</b>				
<b>a) Finished Goods</b>				
<b>-Hearing Aids</b>				
(i) Domestic Sale	2,728.67	2,368.60	2,568.61	449.13
(ii) Exports	-	3.35	0.42	-
<b>-Others</b>				
(i) Domestic Sale	338.21	160.94	-	-
(ii) Exports	-	-	-	-
<b>b) Traded Goods</b>				
<b>-Hearing Aids</b>				
(i) Domestic Sale	151.76	89.72	129.62	90.69
(ii) Exports	-	6.60	1.87	-
<b>-Hearing Aids Parts &amp; Accessories</b>				
(i) Domestic Sale	17.09	463.74	75.84	-
(ii) Exports	33.19	0.88	-	-
	<b>3,268.93</b>	<b>3,093.83</b>	<b>2,776.36</b>	<b>539.82</b>
<b>B) Sale of Services:</b>				
-Support services - Conversion Charge	41.51	78.13	106.66	26.16
-Support services- Consultancy charges	0.18	0.59	5.81	3.19
-Freight Charge	-	2.91	2.81	-
-Franchise Fees	9.32	-	-	-
-Audiometry Charge	1.47			
	<b>52.48</b>	<b>81.63</b>	<b>115.27</b>	<b>29.35</b>
<b>C) Other Operating Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>3,321.41</b>	<b>3,175.46</b>	<b>2,891.63</b>	<b>569.17</b>

**NOTE-18: STATEMENT OF OTHER INCOME AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
a) Interest income on Bank deposits	-	1.56	0.79	0.98
b) Exchange fluctuation differences	8.09	16.46	4.09	2.73
c) Other non-operating income	0.24	3.20	0.17	0.14
<b>Total</b>	<b>8.33</b>	<b>21.22</b>	<b>5.05</b>	<b>3.85</b>

**NOTE-19: STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK-IN-TRADE AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
<b>I) Cost of Material Consumed</b>				
A) Opening Stock of Raw material	43.08	149.51	1.98	-
B) Add: Purchases of Raw Material:				
- Domestic	383.82	154.29	900.96	174.41
- Import	1,081.82	1,628.62	1,058.45	98.62
(i) Custom Agency Charges	2.66	3.44	3.24	0.26
(ii) Custom Handling Expenses	0.99	4.09	1.60	0.60
(iii) Freight Inward	6.78	19.01	2.88	0.93
(iv) Impression Material	-	-	-	0.11
(v) Custom Duty & GST	35.10	95.42	49.97	-
(vii) Consumable Stores	0.12	3.71	7.09	-
(vii) Laser Printing Expenses	2.65	4.90	5.03	0.43
<b>Total (B)</b>	<b>1,513.94</b>	<b>1,913.47</b>	<b>2,029.22</b>	<b>275.35</b>
C) Less: Closing Stock of Raw Material	81.70	43.08	149.51	1.98
<b>Total (D) = (A) + (B) - (C)</b>	<b>1,475.32</b>	<b>2,019.90</b>	<b>1,881.69</b>	<b>273.37</b>
<b>II) Purchase of Stock-in-Trade:</b>				
- Domestic	179.81	609.63	188.35	-
- Import	-	-	-	-
<b>Total (E)</b>	<b>179.81</b>	<b>609.63</b>	<b>188.35</b>	<b>-</b>
<b>Total (D) + (E)</b>	<b>1,655.13</b>	<b>2,629.53</b>	<b>2,070.05</b>	<b>273.37</b>

**NOTE-20: STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK -IN-PROGRESS AND STOCK IN TRADE AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
<b>A) Closing Inventories</b>				
-Finished goods	139.33	435.14	62.94	72.80
-Work-in-progress	-	-	-	-
-Stock-in-Trade	131.81	143.37	23.42	-
-Goods -in-Transit	-	-	-	-
<b>Total (A)</b>	<b>271.14</b>	<b>578.51</b>	<b>86.36</b>	<b>72.80</b>
<b>B) Opening Inventories</b>				
-Finished goods	435.14	62.94	72.80	-
-Work-in-progress	-	-	-	-
-Stock In Trade	143.37	23.42	-	-
<b>Total (B)</b>	<b>578.51</b>	<b>86.36</b>	<b>72.80</b>	<b>-</b>
<b>Net Increase (B) - (A)</b>	<b>307.37</b>	<b>(492.15)</b>	<b>(13.56)</b>	<b>(72.80)</b>

**NOTE-21: STATEMENT OF EMPLOYEE BENEFITS EXPENSE AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
a) Salaries and wages	276.38	313.50	273.24	139.87
b) Contribution to Provident Fund	13.27	19.04	17.37	5.36

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
c) Gratuity Expense	5.25	4.22	4.20	2.01
d) Staff welfare Expenses	5.93	4.72	2.40	1.74
<b>Total</b>	<b>300.83</b>	<b>341.48</b>	<b>297.20</b>	<b>148.98</b>

#### NOTE-22: STATEMENT OF FINANCE COSTS AS RESTATED

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
a) Interest expense from banks	28.42	16.90	0.88	-
b) Other borrowing costs	1.90	16.36	4.78	-
<b>Grand Total</b>	<b>30.32</b>	<b>33.25</b>	<b>5.66</b>	<b>-</b>

#### NOTE-23: STATEMENT OF DEPRECIATION AND AMORTISATION AS RESTATED

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
a) Depreciation on Tangible Assets	19.55	11.28	9.19	4.04
b) Amortization of Intangible Assets	10.70	7.48	5.83	1.94
<b>Total</b>	<b>30.25</b>	<b>18.76</b>	<b>15.02</b>	<b>5.98</b>

#### NOTE-24: STATEMENT OF OTHER EXPENSES AS RESTATED

(₹ in lakhs, unless stated otherwise)

Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
Advertisement	40.84	96.84	225.23	132.78
Business Promotion	37.53	24.58	25.81	3.75
Rent	30.50	30.12	14.66	8.69
Legal and professional fees	57.52	56.34	27.88	34.79
Freight & Courier	30.66	24.88	16.98	1.61
Subscription, License & Registration Fees	11.45	10.51	8.03	1.34
Hearing Aid Development Cost- R&D	-	16.56	-	-
Tours & Travels	23.88	14.96	8.00	3.28
Hotel & Lodging	6.96	2.95	0.35	0.93
Conveyance	15.18	14.00	6.03	2.71
Power & Fuel	6.02	9.07	2.75	1.16
Repair and maintenance	6.04	7.23	11.23	5.60
Telephone	5.57	5.33	4.14	1.82
Office expenses	8.14	6.89	5.86	1.20
Insurance	1.33	1.03	0.08	0.00
Printing and stationery	0.50	0.96	0.89	0.53
GEM Transaction Charges	5.55	4.81	13.94	0.00
Recruitments Expenses	0.73	1.18	0.22	1.25
Selling Discount	-	-	-	2.73
Bank Charges	1.09	2.39	2.48	0.52
Miscellaneous Expenses	0.18	0.78	0.05	1.02
Provision for Doubtful debts	(0.53)	8.11	1.30	0.00



Particulars	For the period ended December 31, 2024	For the year ended March 31,		
		2024	2023	2022
Commission & Brokerage Expenses	1.22	1.34	0.60	0.00
Preliminary Expenses Written Off	0.43	0.57	0.57	0.57
<b>Grand Total</b>	<b>290.79</b>	<b>341.43</b>	<b>377.07</b>	<b>206.27</b>

**NOTE - 25 (a): STATEMENT OF RELATED PARTIES DISCLOSURES AS RESTATED**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

**List of Related Parties and Nature of Relationship:**

Nature of Relationship	For the period ended December 31, 2024	As at 31st March,		
		2024	2023	2022
<b>Key Management Personnel</b>	Rohit Misra - Director	Rohit Misra - Director	Rohit Misra - Director	Rohit Misra - CEO
	Monika Misra- Director	Monika Misra- Director	Monika Misra- Director	Priyadarshi Jha - Managing Director
	Ajay Kumar Giri- Director	Priyadarshi Jha - Managing Director	Priyadarshi Jha - Managing Director	Shailendra Yadav- Director
	Rahul Salesha - Director	Shailendra Yadav- Director	Shailendra Yadav- Director	Ajay Kumar Giri- Addl. Director
		Ajay Kumar Giri- Director	Ajay Kumar Giri- Director	
		Rahul Salesha - Director	Rahul Salesha - Director	
<b>Enterprises significantly influenced by key management personnel</b>	N/A	N/A	N/A	N/A
<b>Enterprises significantly influenced by key man relatives of key management personnel</b> (Relatives of Key Management Personnel)	N/A	Oishi Care (Sole Proprietor) - Director's Relative (Resigned on 30.11.2023)	Oishi Care - Director's Relative	Oishi Care - Director's Relative

**NOTE - 25 (b): STATEMENT OF RELATED PARTIES TRANSACTIONS AS RESTATED**

(₹ in lakhs, unless stated otherwise)

Nature of Transactions	Name of Related Parties	As at 31st Dec, 2024	As at 31st March,		
			2024	2023	2022
1. Remuneration to Directors	Priyadarshi Jha	N/A**	14.57	16.92	15.00
	Rohit Misra	59.22	78.96	78.96	42.00
	Ajay Kumar Giri	10.93	14.10	14.10	1.43

Nature of Transactions	Name of Related Parties	As at 31st Dec, 2024	As at 31st March,		
			2024	2023	2022
	Monika Misra	33.84	45.12	N/A*	N/A*
	Rahul Salesha	25.70	33.16	N/A*	N/A*
	Shailendra Yadav	N/A**	Nil	Nil	Nil
<b>Total</b>		<b>129.69</b>	<b>185.91</b>	<b>109.98</b>	<b>58.43</b>
2. Purchase of goods	Oishi Care	-	-	3.33	0.30
<b>Total</b>		<b>-</b>	<b>-</b>	<b>3.33</b>	<b>0.30</b>
	Shailendra Yadav	-	-	-	25.00
3. Loans Received From	Priyadarshi Jha	-	-	-	26.00
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>51.00</b>
	Priyadarshi Jha	-	-	-	26.00
4. Loans Paid To	Shailendra Yadav	-	-	25.00	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>25.00</b>	<b>26.00</b>
5. Sale of Goods & Services	Oishi Care	-	<b>22.09</b>	<b>25.43</b>	<b>10.23</b>
	Priyadarshi Jha	N/A**	0.05	4.99	19.70
	Shailendra Yadav	N/A**	-	-	-
	Rohit Misra	11.91	73.99	82.32	.
	Ajay Kumar Giri	1.82	0.00	0.47	.
6. Reimbursement of Expenses	Monika Misra	5.31	6.89	0.14	N/A*
	Rahul Salesha	5.63	4.12	0.02	N/A*
<b>Total</b>		<b>24.67</b>	<b>85.00</b>	<b>87.95</b>	<b>25.52</b>
<b>Total (1+2+3+4+5+6)</b>		<b>154.36</b>	<b>208.00</b>	<b>138.74</b>	<b>94.95</b>

**NOTE -25 (c): YEAR END BALANCES WITH RELATED PARTIES**

(₹ in lakhs, unless stated otherwise)

Name of Related Parties	Balance Outstanding as at			
	31.12.2024	31.03.2024	31.03.2023	31.03.2022
Rohit Misra	(5.58)	(1.75)	(14.82)	(0.52)
Monika Misra	(1.56)	(0.74)	(1.28)	N/A*
Rahul Salesha	0.25	(0.04)	(0.05)	N/A*
Ajay Kumar Giri	(0.01)	-	-	-
Priyadarshi Jha	N/A**	N/A**	-	(1.79)
Shailendra Yadav	N/A**	-	-	(25.00)
Oishi Care	7.08	4.60	3.98	(0.25)

**\*Date of Joining:**

Monika Misra and Rahul Salesha joined the organization on March 24, 2023.

**\*\*Date of Resignation/Leaving (w.e.f.):**

Priyadarshi Jha: November 30, 2023

Shailendra Yadav: July 10, 2024

**NOTE -26 : STATEMENT OF CAPITALISATION AS RESTATED**

Sr. No	Particulars	Pre issue as on December 31, 2024	Post issue
	<b>Debts:</b>		
A	Long Term Debt	-	-
B	Short Term Debt	467.40	467.40
C	<b>Total Debt</b>	<b>467.40</b>	<b>467.40</b>
	<b>Shareholder's Funds:</b>		
	Equity Share Capital	1,043.89	*
	Reserves and Surplus	763.09	*

Sr. No	Particulars	Pre issue as on December 31, 2024	Post issue
	Less: Misc. Expenditure	-	-
D	<b>Total Shareholder's Funds</b>	<b>1,806.98</b>	*
E	<b>Total Capitalization</b>	<b>2,274.38</b>	*
	Long Term Debt/Shareholder's Funds (A/D)	-	
	Total Debt/ Shareholder's Funds (C/D)	0.26	*

\*will be updated in the prospectus

Notes:

Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long-term debt included in other current liabilities.

#### NOTE -27: STATEMENT OF EARNINGS PER SHARE AS RESTATED

Particulars		Before Extraordinary items	After Extraordinary items	Before Extraordinary items	After Extraordinary items	Before Extraordinary items	After Extraordinary items	Before Extraordinary items	After Extraordinary items
		Dec 31, 2024	Dec 31, 2024	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Profit after tax	A	503.49	503.49	305.81	305.81	131.20	131.20	10.56	10.56
Dilutive effect on the profit	B	-	-	-	-	-	-	-	-
Profit attributable to equity shareholders for computing diluted EPS	C=A +/- B	503.49	503.49	305.81	305.81	131.20	131.20	10.56	10.56
Weighted average number of Equity shares outstanding for Basic EPS	D	208.78	208.78	151.00	151.00	151.00	151.00	151.00	151.00
Dilutive effect of outstanding potential equity shares - No. of equity shares	E	-	-	57.78	57.78	57.78	57.78	57.78	57.78
Weighted average number of Equity shares for Diluted EPS	F=D +E	208.78	208.78	208.78	208.78	208.78	208.78	208.78	208.78
(a) Basic Earnings per share	A/D	2.41	2.41	2.03	2.03	0.87	0.87	0.07	0.07
(b) Diluted Earnings per share	C/F	2.41	2.41	1.46	1.46	0.63	0.63	0.05	0.05

Notes:

Pursuant to the approval of the shareholders accorded on 30th September, 2024 vide ordinary resolution in Extra Ordinary General Meeting conducted by the Company, each equity share of face value of Rs 10 per share was sub-divided in to two equity shares of face value Rs 5/- per share, with effect from 30th september , 2024.

Pursuant to approval given by the shareholders on 30 Sep, 2024, the Company has issued 2,07,39,600 fully paid up bonus equity shares of Face value of Rs 5/- each in the ratio of 150 (One hundred Fifty) equity share of Rs 5/- each for every 1 (One) existing equity share of Rs 5/- each as on record date September 30, 2024.

Accordingly, the earnings per share has been adjusted for previous periods and presented in accordance with AS 20, Earnings Per Share

Notes:

- 1) The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.
  - b) Diluted Earnings Per Share (Rs.) = (Restated PAT attributable to Equity Shareholders + Interest adjusted for tax expense)/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100.
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion to total number of days during the year. Further, number of shares are after considering the impact of buyback of the shares.
- 3) Weighted Average Number of equity shares which would be issued on the conversion of all optionally convertible debentures into equity shares.
- 4) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 5) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)
- 6) The figures disclosed above are based on the Restated Standalone Financial Statements of the Company.

**NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED**

No.	Particular	Numerator	Denominator	31.12.2024	31.03.2024	31.03.2023	31.03.2022
1	Current ratio	Current Assets	Current Liabilities	2.27	2.76	1.67	3.70
2	Debt-equity ratio	Total Debt	Shareholder's Equity	0.27	0.31	0.19	0.06
3	Interest service coverage ratio	Earnings available for debt service	Debt Service (Interest Expense)	25.58	11.32	29.30	-
4	Return on equity ratio	Net Profits after taxes- Preference Dividend (if any)	Average Shareholder's Equity	0.32	0.31	0.23	0.04
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	4.03	3.65	6.59	5.36
6	Trade receivables turnover ratio	Total Sales	Average Trade Receivables	2.22	5.75	9.16	7.04

No.	Particular	Numerator	Denominator	31.12.2024	31.03.2024	31.03.2023	31.03.2022
7	Trade payables turnover ratio	Total Purchases	Average Trade Payables	5.43	7.62	6.53	10.86
8	Net capital turnover ratio	Total Sales	Working Capital	2.50	3.95	6.85	3.75
9	Net profit ratio	Net Profit	Net Sales	15%	10%	5%	2%
10	Return on capital employed	Earning before interest and taxes	Capital Employed	41%	27%	23%	2%

No.	Particular	31.12.2024	31.03.2024	31.03.2023	Reason For Variations
1	Current ratio	(0.49)	1.10	(2.03)	The Company was incorporated during FY 2021-22 and has seen significant growth in operations each year. The decrease in the current ratio as of December 31, 2024 (nine months) is primarily due to increased current liabilities from operational expansion. If annualized, the ratio would be more consistent with the previous year's trend.
2	Debt-equity ratio	(0.05)	0.12	0.14	During FY 2022-23, the Company availed short-term borrowings from related parties only. In FY 2023-24, it raised secured loans from financial institutions, improving the ratio. The marginal decrease as of December 31, 2024, reflects temporary working capital structuring; if annualized, the debt-equity ratio remains within a comparable range.
3	Interest service coverage ratio	14.26	(17.98)	29.30	In FY 2022-23, borrowings were only from related parties with no interest outgo, resulting in a high ratio. In FY 2023-24, interest expense increased due to loans from financial institutions, impacting the ratio adversely. The improvement in the nine-month period ending December 2024 indicates better profitability and cost management.
4	Return on equity ratio	0.01	0.08	0.19	Company's operations have been increasing every consecutive year resulting in better ratio. However, on an annualized basis, ratios would align closely with FY2023-24.
5	Inventory turnover ratio	0.38	(2.94)	1.23	
6	Trade receivables turnover ratio	(3.53)	(3.40)	2.12	
7	Trade payables turnover ratio	(2.20)	1.10	(4.33)	
8	Net capital turnover ratio	(1.45)	(2.90)	3.10	The ratio declined in FY2023-24 and December 2024 due to increased receivables, resulting in higher working capital. The trend aligns with expansion and is expected to improve on full-year normalization.

No.	Particular	31.12.2024	31.03.2024	31.03.2023	Reason For Variations
9	Net profit ratio	0.06	0.05	0.03	Net profit ratio has shown steady improvement year-on-year, supported by growth in scale and cost efficiencies. The marginal increase in FY2024-25 (nine months) is in line with expectations and would improve further on annualization.
10	Return on capital employed	0.14	0.04	0.21	ROCE improved in FY2024-25 due to better deployment of capital, largely driven by loan infusion and operational efficiency. The number appears lower due to the nine-month reporting period; on annualization, it would be comparable to FY2022-23 levels.

Note: The Below ratio's have not been annualized for the period ended Dec'24. The percentage change has not been shown for FY-22 as it was the company's first year of operations and for Dec'24 since it represents a nine -month period, whereas FY-24 reflects the full financial year, making the figures non-comparable. The ratios have been computed as below:

**NOTE -28: STATEMENT OF CHANGES IN ACCOUNTING RATIOS AS RESTATED**

(₹ in lakhs)

Sr. No.	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
<b>1</b>	<b>Current Ratio (Current Assets/Current liabilities)</b>	2.27	2.76	1.67	3.70
	<b>Current Assets</b>	2,832	1,690	1,350	420
	<b>Current Liabilities</b>	1,246	612	810	114
	<b>Current Assets Includes the items mentioned below:</b>				
	(a) Inventories	353	622	549	75
	(b) Trade Receivables	2,357	634	470	162
	(c) Cash And Cash Equivalents	6	138	58	7
	(d) Short-Term Loans & Advances	46	168	215	153
	(e) Other Current Assets	70	128	58	22
	(f) Investment in subsidiary				
	<b>Total Current Assets</b>	<b>2,832</b>	<b>1,690</b>	<b>1,350</b>	<b>420</b>
	<b>Current Liabilities Includes the items mentioned below:</b>				
	(a) Short Term Borrowings	467	400	121	25
	(b) Trade Payables	504	106	584	50
	(c) Other Current Liabilities	48	42	68	27
	(d) Short Term Provisions	226	64	37	11
	<b>Total Current Liabilities</b>	<b>1,246</b>	<b>612</b>	<b>810</b>	<b>114</b>
<b>2</b>	<b>Debt Equity Ratio(Debt/Shareholder's Fund)</b>	0.27	0.31	0.19	0.06
	<b>Total Debt</b>	483	410	128	27
	<b>Shareholder's Fund</b>	1,807	1,303	656	479
	<b>Debt Includes the item mentioned below:</b>				
	Long Term Borrowings	16	10	6	2
	Short Term Borrowings	467	400	121	25
	<b>Total Debt</b>	<b>483</b>	<b>410</b>	<b>128</b>	<b>27</b>
No.	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022

Sr. No.	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
	<b>Shareholder's Fund Includes the Items mentioned below:</b>				
	(a) Share Capital	1,044	7	7	7
	(b) Reserves And Surplus	763	1,297	649	472
	<b>Total Shareholder's Fund</b>	<b>1,807</b>	<b>1,303</b>	<b>656</b>	<b>479</b>
3	<b>Debt Service coverage Ratio (Net Operating Income/Debt (Principal amount + Interest))</b>	<b>25.58</b>	<b>11.32</b>	<b>29.30</b>	<b>-</b>
	<b>Profit</b>	<b>715</b>	<b>324</b>	<b>145</b>	<b>11</b>
	<b>Add: Non Operating Expense(Interest)</b>	30	33	6	-
	<b>Add: Non Operating Expense (Dep)</b>	30	19	15	6
	<b>Add: Non Operating Expense(Assets W/Off)</b>	-	-	-	-
	<b>Less: Non Operating Income</b>	-	-	-	-
	<b>Net Operating income</b>	776	376	166	17
	<b>Debt Service</b>	-	-	-	-
	<b>Principal Amount repaid</b>	-	-	-	-
	<b>Interest</b>	30	33	6	-
	<b>Debt(Principal amount and Interest)</b>				
4	<b>Return on Equity (ROE) (%)</b>	32.37%	31.21%	23.12%	4.41%
	<b>Profit after Taxes</b>	503	306	131	11
	<b>Average Shareholder's Equity</b>	1,555.24	979.87	567.46	239.34
5	<b>Inventory turnover ratio (times)</b>	4.03	3.65	6.59	5.36
	<b>Cost of material Sold</b>	1,962.50	2,137.38	2,056.49	200.57
	<b>Average Inventory</b>	487.22	585.37	311.97	37.39
6	<b>Trade Receivables turnover ratio (times)</b>	2.22	5.75	9.16	7.04
	<b>Revenue</b>	3,321.41	3,175.46	2,891.63	569.17
	<b>Average Trade Receivable</b>	1,495.70	551.92	315.81	80.87
7	<b>Trade Payables turnover ratio (times)</b>	5.43	7.62	6.53	10.86
	<b>Credit Purchase</b>	1655.13	2629.53	2070.05	273.37
	<b>Average Trade Payable</b>	305.01	345.01	317.19	25.17
8	<b>Net capital turnover ratio (times)</b>	2.50	3.95	6.85	3.75
	<b>Total Revenue</b>	3,329.74	3,197	2,897	573
	<b>Average working capital</b>	1,332.31	809	423	153
	<b>Working Capital</b>	1,586.05	1,079	540	306
9	<b>Net Profit Ratio</b>	15%	10%	5%	2%
	<b>Profit after tax</b>	503	306	131	11
	<b>Total Sales</b>	3,330	3,197	2,897	573
10	<b>Return on Capital employed (EBIT/Capital Employed)</b>	41%	27%	23%	2%
	<b>Capital Employed</b>	1,807	1,303	656	479
	<b>EBIT Calculation:</b>				
	<b>Profit before tax</b>	715	324	145	11
	<b>Add Interest Expenses</b>	30	33	6	-
	<b>EBIT</b>	745	358	151	11
	<b>Capital Employed Calculation:</b>				

Sr. No.	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
	<b>Total Assets</b>	3,068	1,925	1,473	594
	<b>Less: Current Liabilities</b>	1,246	612	810	114
	<b>Less: Long term provisions</b>	16	10	6	2
	<b>Capital Employed</b>	1,807	1,303	656	479

#### NOTE -29: DEFINED EMPLOYEE BENEFITS PLAN

##### Gratuity

The company has made provisions for the employees benefits in accordance with the Accounting Standard (AS) 15 "Employee Benefits". Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on death/ retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied for the number of years of completed service.

##### 1) Changes in present value of obligation

(₹ in lakhs)

S.No	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
a)	Present value of obligation as at the beginning of the period	10.43	6.21	2.01	
b)	Acquisition adjustment	-	-	-	-
c)	Interest cost	0.57	0.46	0.15	
d)	Past service cost	-	-	-	-
e)	Current service cost	4.48	4.89	4.29	2.01
f)	Curtailment cost/(Credit)	-	-	-	-
g)	Settlement cost/(Credit)	-	-	-	-
h)	Benefits paid	-	-	-	-
i)	Actuarial (gain)/loss on obligation	0.21	(1.12)	(0.24)	
j)	Present value of obligation as at the end of period	15.69	10.43	6.21	2.01

##### 2) Actuarial Gain / loss recognized

(₹ in lakhs)

S.No	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
a)	Actuarial gain /(loss) for the period-obligation	(0.21)	1.12	0.24	-
b)	Actuarial (gain)/loss for the period - plan assets	-	-	-	-
c)	Total (gain)/loss for the period	0.21	(1.12)	(0.24)	-
d)	Actuarial (gain) / loss recognized in the period	0.21	(1.12)	(0.24)	-

##### d) Amount recognised in balance sheet

(₹ in lakhs)

S.No	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
a)	Present value of obligation as at the end of the period	15.69	10.43	6.21	2.01
b)	Fair value of plan assets as at the end of the period	-	-	-	-
c)	Funded status / Difference	(15.69)	(10.43)	(6.21)	(2.01)
d)	Excess of actual over estimated	-	-	-	-
e)	Unrecognized actuarial (gains)/losses	-	-	-	-
f)	Net asset/(liability)recognized in balance sheet	(15.69)	(10.43)	(6.21)	(2.01)



**NOTE -29: DEFINED EMPLOYEE BENEFITS PLAN**

e) Expense recognized in the statement of profit and loss

(₹ in lakhs)

S.No	Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
a)	Current service cost	4.48	4.89	4.29	2.01
b)	Past service cost	-	-	-	-
c)	Interest cost	0.57	0.46	0.15	-
d)	Expected return on plan assets	-	-	-	-
e)	Curtailment cost / (Credit)	-	-	-	-
f)	Settlement cost / (credit)	-	-	-	-
g)	Net actuarial (gain)/ loss recognized in the period	0.21	(1.12)	(0.24)	-
h)	Expenses recognized in the statement of profit & losses	5.25	4.22	4.20	2.01

[The remainder of this page has intentionally been left blank]

## OTHER FINANCIAL INFORMATION

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Basic EPS (₹)	2.41	2.03	0.87	0.07
Diluted EPS (₹)	2.41	1.46	0.63	0.05
Return on Net Worth (%)	27.86%	23.46%	19.99%	2.21%
Net Asset Value per Equity Share (₹)	8.66	6.24	3.14	2.29
EBITDA (₹ in lakhs)	762.28	355.17	160.87	13.35

1. Basic/Diluted EPS is calculated as profit for the year/period attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year/period and the weighted average number of Equity Shares that could have been issued upon conversion of all dilutive potential Equity Shares.
2. RoNW is calculated- as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholder's funds for that year. Shareholder's funds = Share capital + reserves & surplus - revaluation reserves. Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Statement, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on respective periods in accordance with Regulation 2(l) (hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018, as amended.
3. NAV per Equity Share (in ₹) is computed as net worth at the end of the period/ year / weighted average number of equity shares outstanding at the end of the period/ year.
4. EBITDA (Earnings Before interest, tax, depreciation and amortization excluding Other income) is calculated as profit before exceptional items and tax plus finance cost, depreciation and amortization expenses.

[The remainder of this page has intentionally been left blank]

## **RELATED PARTY TRANSACTION**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, on Related Party Disclosures, read with the SEBI ICDR Regulations for the period ended December 31, 2024 and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 and as reported in the Restated Financial Statement, see “Restated Financial Statement – Notes forming part of the Restated Financial Statement Note 25 Related Party Disclosures” on page 191.

[The remainder of this page has intentionally been left blank]

## CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as on December 31, 2024 on the basis of the Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 29, 191 and 232 respectively.

Statement of Capitalization as on December 31, 2024:

(₹ in Lakhs, except ratios)

Particulars	Pre Issue	Post Issue
<b><u>Borrowings</u></b>		
Short- term	467.40	[•]
Long- term (including current maturities) (A)	-	[•]
<b>Total Borrowings (B)</b>	467.40	[•]
<b><u>Shareholder's fund</u></b>		
Equity Share capital	1043.89	[•]
Reserve and Surplus, as restated	763.09	[•]
<b>Total Shareholder's fund (C)</b>	1806.98	[•]
<b>Long- term borrowings / equity ratio {(A)/(C)}</b>	-	[•]
<b>Total borrowings / equity ratio {(B)/(C)}</b>	0.26	[•]

*As certified by M/s. Timsi & Associates, having (FRN.:020141C), Chartered Accountants, pursuant to their certificate dated June 07, 2025.*

Note: The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Fixed Price Process and hence the same have not been provided in the above statement and to be updated upon finalization of Offer Price.

[The remainder of this page has intentionally been left blank]

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period December 31, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with 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 and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in “Restated Financial Statements” beginning on page 191 of this Draft Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in “Risk Factors” and “Forward-Looking Statements” beginning on pages 29 and 18 respectively, of this Draft Prospectus

### Business Overview

We manufacture and distribute modern hearing aids and related accessories at affordable prices across India. Along with our own manufactured hearing aid, we also trade in hearing aid, parts and accessories of other brands manufactured in India and abroad. In addition, we offer other products like adjustable foldable walkers and Multi-Sensory Integrated Educational Development (MSIED) and Teaching Learning Material (TLM) kits to support mobility and daily needs of physically challenged. Our mission is to make quality hearing care more accessible. We’ve developed a smart and easy-to-use remote audiometry machine that allows people to get tested and fitted for hearing aids from anywhere in the world. By combining advanced technology with a strong focus on customer needs, we aim to improve hearing care across India.

Total income and its components are set forth in the table below:

(₹ in Lakhs)								
Particulars	As at December 31, 2024	As % of Total Income	Fiscal 2024	As % of Total Income	Fiscal 2023	As % of Total Income	Fiscal 2022	As % of Total Income
<b>A) Sales of Products</b>								
<b>(i) Finished Goods</b>								
<b>a) Hearing Aid</b>								
<i>Domestic Sale</i>	2,728.67	81.95%	2,368.60	74.10%	2,568.61	88.67%	449.13	78.38%
<i>Export Sale</i>	-		3.35	0.10%	0.42	0.01%	-	-
<b>b) Others</b>								
<i>Domestic Sale</i>	338.21	10.16%	160.94	5.03%	-	-	-	-
<i>Export Sale</i>	-		-		-	-	-	-
<b>(ii) Traded Goods</b>								
<b>a) Hearing Aid</b>								
<i>Domestic Sale</i>	151.76	4.56%	89.72	2.81%	129.62	4.47%	90.69	15.83%
<i>Export Sale</i>	-		6.60	0.21%	1.87	0.06%	-	-
<b>b) Hearing Aid, Parts &amp; Accessories</b>								
<i>Domestic Sale</i>	17.09	0.51%	463.74	14.51%	75.84	2.62%	-	-
<i>Export Sale</i>	33.19	1.00%	0.88	0.03%	-	-	-	-
<b>Total Sales of Products</b>	<b>3,268.93</b>	<b>98.17%</b>	<b>3,093.83</b>	<b>96.78%</b>	<b>2,776.36</b>	<b>95.85%</b>	<b>539.82</b>	<b>94.21%</b>
<b>B) Sales of Services</b>								
<i>Conversion Charge</i>	41.51	1.25%	78.13	2.44%	106.66	3.68%	26.16	4.56%
<i>Consultancy Charge</i>	0.18	0.01%	0.59	0.02%	5.81	0.20%	3.19	0.56%
<i>Freight Charges</i>	-	-	2.91	0.09%	2.81	0.10%	-	-
<i>Franchise Fees</i>	9.32	0.28%	-		-	-	-	-

Particulars	As at December 31, 2024	As % of Total Income	Fiscal 2024	As % of Total Income	Fiscal 2023	As % of Total Income	Fiscal 2022	As % of Total Income
Audiometry Charge	1.47	0.04%						
Revenue from Services	52.48	1.58%	81.63	2.55%	115.27	3.98%	29.35	5.12%
C) Other Income	8.33	0.25%	21.22	0.66%	5.05	0.17%	3.85	0.67%
Total Revenue/Income (A+B)	3,329.74	100.00%	3,196.69	100.00%	2,896.68	100.00%	573.02	100.00%

As certified by M/s. Timsi and Associates, Chartered Accountants, (Firm Registration No.: 020141C) Statutory Auditor have vide certificate dated June 10, 2025

For more details, refer “Our Business” on page no 135

### Key Performance Indicator

(₹ in Lakhs)

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations <sup>1</sup>	3,321.41	3,175.46	2,891.63	569.17
Total Income <sup>2</sup>	3,329.74	3,196.69	2,896.68	573.02
EBITDA	767.28	355.17	160.87	13.35
EBIT	745.37	357.63	150.91	11.22
EBT	715.05	324.38	145.24	11.22
PAT	503.49	305.81	131.20	10.56
EBITDA Margin <sup>3</sup>	23.10%	11.18%	5.56%	2.35%
EBIT Margin <sup>4</sup>	22.39%	11.19%	5.21%	1.96%
EBT Margin <sup>5</sup>	21.47%	10.15%	5.01%	1.96%
PAT Margin <sup>6</sup>	15.12%	9.57%	4.53%	1.84%
Share Capital	1,043.89	6.91	6.77	6.74
Other Equity	763.09	1,296.58	649.47	471.94
Net Worth	1,806.98	1,303.49	656.24	478.68
Return on Equity <sup>7</sup>	27.86%	23.46%	19.99%	2.21%
Return on Capital Employed <sup>8</sup>	41.25%	27.44%	23.00%	2.34%

1. Revenue from operations refers to revenue from sales of products, sale of services and other operating income.
2. Total Revenue refers to Revenue from operations plus Other Income.
3. EBITDA is an alternative way to calculate profitability that focuses on a company's ability to generate cash from its regular operations.
4. EBIT Margin is an indicator use to measure the efficiency of company to generate operating profits.
5. EBT Margin used as indicator to calculate profitability before tax as percent of Total Revenue.
6. PAT Margin used as measure of calculation profit available to shareholders as percent of Total Revenue.
7. RoE measure the ability to gauge how much shareholders are earning on their investments. It exhibits how well the company has utilised the shareholder's money.
8. RoCE indicates how efficiently capital is being used in the business. It provides the ability of the company to generate the returns against the capital it put to use.
- 9.

### SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation of Financial Statement

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the financial year/period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 (hereinafter collectively referred to as “Restated Financial Information”) have been extracted by the management from the audited financial statements for the December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, approved by the respective Board of Directors of the companies.

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, and in accordance with the

applicable provisions of the Companies Act, 2013 (the 'Act') and the accounting principles generally accepted in India ('Indian GAAP') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

## **1. Use of Estimates**

The preparation of interim Financial Statements is in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenses during the period.

These financial statements have been prepared to comply with Accounting Principles generally accepted in India, the Accounting Standards specified under the Companies Act 2013 read with Company (Accounting Standards) Rules, 2014 and other relevant provisions of the Companies Act, 2013. The Financial Statements are prepared on accrual basis under the historical cost convention.

The Management believes that the estimates used in preparation of interim financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/materialized.

## **2. Cash and Bank Balances**

Cash comprises cash in hand, balance in bank accounts maintained with banks and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **3. Revenue and Expenditure recognition**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Dividend income is recognized when the right to receive payment is established. Accounting of Income and Expenditure is done on accrual basis and as per above principles.

## **4. Employee Benefits**

### *a) Short Term Employee Benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences. The relevant benefits have been charged to Profit and loss account during the period under consideration.

### *b) Post-Employment Benefits*

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund, The Employees' State Insurance (ESI) scheme and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The company has made contributions under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948, and recognized as expense during the period under consideration. The said contributions were made on timely basis.

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Statement of Profit and Loss.

The company has made provision on account of Gratuity expense as per the Accounting Standard 15-Employees Benefits prescribed under the Companies Act, 2013 and amount is provided on the basis of Actuarial valuation of the gratuity liability for the period from 01/04/2021 to 31/12/2024.

## **5. Foreign Currency Transaction**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported or carried in terms of historical cost denominated in a foreign currency reported using the exchange rate at the date of the transaction. Exchange difference arising on the settlement at rates different from those at which they initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

## **6. Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. The company had claimed the deduction of an amount equal to one hundred per cent of the profits and gains derived from manufacturing business for the preceding three years under section 80-IAC of the Income tax Act, 1961 being allowed for three consecutive assessment years.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same. 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.

Minimum Alternative Tax (MAT) is calculated in accordance with the provisions of Income Tax Act 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as asset in the balance sheet.

Further Company is following ICDR requirement and Taxes has been recognized in the interim financial statement as per above mentioned principle.

## **7. Provision and Contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions involving substantial degree of estimation in measurement are recognized as per said principles. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are not recognized nor disclosed in this financial statement.

## **8. Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing 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.



## **9. Inventory**

The Company is following Weighted Average Method as a measurement of cost. The stock is valued at cost or Net Realizable Value whichever is lower.

## **10. Property, Plant and equipment and Intangible Assets**

Fixed assets are recognized in Books at cost of acquisition and further stated at their written down value. Cost includes purchase price, taxes and duties (non-creditable), labour cost and directly attributable overhead expenditure for self-constructed assets incurred up to the date the asset is ready for its intended use.

Depreciation on fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method, as per the manner prescribed in Schedule II to the Companies Act, 2013.

Expenditure against Capital Assets which are not ready to use as on balance sheet date are separately shown under Fixed Asset Schedule under Capital work in progress.

## **11. Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and loss statement in the period in which they incurred.

## **12. Impairment**

The carrying value of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the period in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if a change in the estimates of the recoverable amount. No such relevant adjustment is required in the balance sheet for the period under consideration.

## **13. Segment Reporting**

Company is operating under a single segment. Unless specifically stated to be otherwise, these policies are consistently followed and there is no change in significant accounting policies of the Company.

## **Notes on Accounts**

### **1. Material Regrouping**

The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

Material Adjustments in Restated Profit & Loss Account has been mentioned in Annexure V of the enclosed restated financial information. Prior period items have been adjusted in the year to which it relates. Other than this there is no material adjustment.

### **2. Provisions, Contingent Liabilities and Contingent Assets**

There are no contingent liabilities as on December 31, 2024 except a bank guarantees amounting to Rs 7.66 lacs (PY: Nil) in favor of Artificial Limbs Manufacturing Corporation of India (ALIMCO) have been issued in towards after-sales support and warranty obligations under supply contracts.

### **3. Related Party Disclosure**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note 25 of the enclosed restated financial information.

## **DISCUSSION ON RESULT OF OPERATION**

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for period / years ended December 2024, March 2024, March 31, 2023, and March 2022.

### **PRINCIPAL COMPONENT OF INCOME AND EXPENDITURE**

#### **Total Income**

Total income comprises of (a) Revenue from Operations and (b) Other Income.

#### **Revenue from Operations**

Revenue from operations includes, revenue from sale of products, revenue from sale of services and other operating income. Revenue from operations represents 99.75%, 99.34%, 99.83% and 99.33% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Sale of products comprises of (i) Revenue from sale of finished goods which includes hearing aids (Domestic/Exports) and Others (Domestic/Exports), (ii) Revenue from sale of traded goods which includes hearing aids (Domestic/Exports) and Hearing Aids, Parts & Accessories (Domestic/Exports). Sale of Products represents, 98.17%, 96.78%, 95.85% and 94.21% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Sale of Services includes income generated from (i) Conversion Charge, (ii) Consultancy Charges, (iii) Freight Charges, (iv) Franchisee Fees and (v) Audiometry Charges. Sale of Services represents 1.58%, 2.55%, 3.98% and 5.12% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

#### **Other Income**

Other income comprises of Conversion Charge, Consultancy Charge, Freight Charges, Franchise Fees and Audiometry Charge. Other income represents 0.25%, 0.66%, 0.17% and 0.67% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

#### **Expenses**

Total expenses comprise of (i) Cost of Materials Consumed, (ii) Purchases of Stock-in-Trade, (iii) Changes in Inventories, (iv) Employee Benefits Expense, (v) Finance Costs, (vi) Depreciation and amortization Expense and (vii) Other expenses. Total Expenses represents 78.53%, 89.85%, 94.99% and 98.04% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

#### **Cost of Materials Consumed**

Cost of Materials Consumed comprise of purchase of raw material (domestic/export), Custom Agency Charges, Custom Handling Expenses, Freight Inward, Impression Material, Custom Duty & GST, Consumable Stores, Laser Printing Expenses. Cost of material consumed represents 44.31%, 63.19%, 64.96% and 47.71% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

#### **Purchases of Stock-in-Trade**

Purchases of Stock-in-Trade comprise purchases of finished goods of other brands for trading. Purchases of Stock-in-Trade represents 5.40%, 19.07% and 6.50% of the total income for period ended December 2024, Fiscal 2024 and Fiscal 2023.

#### **Employee Expenses**

Employee expenses comprise of Salaries and wages, Contribution to Provident Fund, Gratuity Expense and Staff Welfare Expenses. Employee expense represents 9.03%, 10.68%, 10.26% and 26.00% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

## Finance Cost

Finance cost comprise of interest expenses on borrowings and other borrowings costs. Finance cost represents

## Depreciation and Amortization Expenses

Depreciation and Amortization Expenses consists of Depreciation on Tangible Assets and Amortization of Intangible Assets. Depreciation and Amortization Expenses represents 0.91%, 1.04% and 0.20% of the total income for period ended December 2024, Fiscal 2024 and Fiscal 2023.

## Other Expenses

Other Expenses comprises of Advertisement expenses, Business Promotion, Legal and professional fees, Subscription, License & Registration Fees, Hearing Aid Development Cost- R&D, Tours & Travels, Conveyance, Power & Fuel, Repair and maintenance, Telephone, Office expenses, Insurance, Printing and stationery, GEM Transaction Charges, Recruitments Expenses, Selling Discount, Miscellaneous Expenses, Provision for Doubtful debts, Commission & Brokerage Expenses and Preliminary Expenses Written Off. Other expenses represent 8.73%, 10.68%, 13.02% and 36.00% of the total income for period ended December 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

## SUMMARY OF RESULTS OF OPERATIONS

(₹ in Lakhs)

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	3,321.41	3,175.46	2,891.63	569.17
As % of Total Income	99.75%	99.34%	99.83%	99.33%
Other Income	8.33	21.22	5.05	3.85
As % of Total Income	0.25%	0.66%	0.17%	0.67%
<b>Total Income</b>	<b>3,329.74</b>	<b>3,196.69</b>	<b>2,896.68</b>	<b>573.02</b>
<b>Expenses</b>				
Cost of Materials Consumed	1,475.32	2,019.90	1,881.69	273.37
As % of Total Income	44.31%	63.19%	64.96%	47.71%
Purchases of Stock-in-Trade	179.81	609.63	188.35	-
As % of Total Income	5.40%	19.07%	6.50%	-
Changes in inventories	307.37	(492.15)	(13.56)	(72.80)
As % of Total Income	9.23%	-15.40%	-0.47%	-12.70%
Employee Benefits Expense	300.83	341.48	297.20	148.98
As % of Total Income	9.03%	10.68%	10.26%	26.00%
Finance Costs	30.32	33.25	5.66	-
As % of Total Income	0.91%	1.04%	0.20%	-
Depreciation and amortization Expense	30.25	18.76	15.02	5.98
As % of Total Income	0.91%	0.59%	0.52%	1.04%
Other Expenses	290.79	341.43	377.07	206.27
As % of Total Income	8.73%	10.68%	13.02%	36.00%
<b>Total Expenses</b>	<b>2,614.69</b>	<b>2,872.31</b>	<b>2,751.44</b>	<b>561.80</b>
As % of Total Income	78.53%	89.85%	94.99%	98.04%
Exceptional Items	-	-	-	-
<b>Profit before Extraordinary Items and Tax</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
Extraordinary Items	-	-	-	-
<b>Profit Before Tax</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
As % of Total Income	21.47%	10.15%	5.01%	1.96%
<b>Taxes:</b>				
(a) Current tax	220.98	55.08	25.25	2.35
(b) Earlier Tax/Prior Period Tax	(5.48)	0.11	0.22	-
(c) Deferred Tax	(3.93)	(1.40)	(2.88)	(0.73)
(d) MAT Credit	-	(35.22)	(8.54)	(0.96)
<b>Total Taxes</b>	<b>211.57</b>	<b>18.57</b>	<b>14.04</b>	<b>0.66</b>
As % of Total Income	6.35%	0.58%	0.48%	0.12%
<b>Profit for the year period</b>	<b>503.49</b>	<b>305.81</b>	<b>131.20</b>	<b>10.56</b>
As % of Total Income	15.12%	9.57%	4.53%	1.84%
<b>Earnings per equity share:</b>				

Particulars	As on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
(a) Basic EPS	2.41	2.03	0.87	0.07
(b) Diluted EPS	2.41	1.46	0.63	0.05

#### Product & Services Wise Revenue Breakup

(₹ in Lakhs)

Particulars	As on December 31, 2024	As % of Revenue from Operations	Fiscal 2024	As % of Revenue from Operations	Fiscal 2023	As % of Revenue from Operations	Fiscal 2022	As % of Revenue from Operations
Hearing Aid	2,880.43	86.72%	2,468.27	77.73%	2,700.52	93.39%	539.82	94.84%
Hearing Aid, Parts & Accessories	50.29	1.51%	464.63	14.63%	75.84	2.62%	-	-
Others*	338.21	10.18%	160.94	5.07%	-	0.00%	-	-
Sale of Services	52.48	1.58%	81.63	2.57%	115.27	3.99%	29.35	5.16%
<b>Total Revenue from Operations</b>	<b>3,321.41</b>	<b>100.00%</b>	<b>3,175.46</b>	<b>100.00%</b>	<b>2,891.63</b>	<b>100.00%</b>	<b>569.17</b>	<b>100.00%</b>

\*Others includes sale of MSIED & TLM learning material kit

#### Geography Wise Sale of Products

(₹ in Lakhs)

Particulars	As on December 2024	As % of Revenue from Sale of Products	Fiscal 2024	As % of Revenue from Sale of Products	Fiscal 2023	As % of Revenue from Sale of Products	Fiscal 2022	As % of Revenue from Sale of Products
Domestic	3,235.73	98.98%	3,083.00	99.65%	2,774.07	99.92%	539.82	100.00%
Export	33.19	1.02%	10.83	0.35%	2.28	0.08%	-	0.00%
<b>Revenue from Sale of Products</b>	<b>3,268.93</b>	<b>100.00%</b>	<b>3,093.83</b>	<b>100.00%</b>	<b>2,776.36</b>	<b>100.00%</b>	<b>539.82</b>	<b>100.00%</b>

#### Nine Months Period Ended December 31, 2024

##### Total Income

Total income for the period ended December 31, 2024 was reported at ₹3,329.74 lakhs that comprise of revenue from operations amounted to ₹3,321.41 lakhs and Other Income of ₹8.33 lakhs.

##### Revenue from Operations

Revenue from operations for the period ended December 31, 2024 was reported at ₹3,321.41. It comprises of revenue from Sale of products amounted to ₹3,268.93 lakhs which is 98.17% of the total income and Sale of services amounted to ₹52.48 lakhs and 1.58% of the total income.

Under sale of products, company has sold ₹2,728.67 lakhs (represents 81.95% of the total income) worth of own manufactured hearing aids while other product amounted to ₹338.21 lakhs (represents 10.16% of the total income). Also under the traded goods, company has generated revenue from trading of hearing aid and Hearing Aid, Parts & Accessories amounted to ₹151.76 lakhs and ₹50.29 lakhs respectively.

Under sale of services, company has generated income from Conversion Charge of ₹41.51 lakhs (represents 1.25% of the total income), Consultancy Charge of ₹0.18 lakhs (represents 0.01% of the total income), Franchise Fees of ₹9.32 lakhs (represents 0.28% of the total income) and Audiometry Charge of ₹1.47 lakhs (represents 0.04% of the total income).

### ***Expenses***

Total expenses for the period ended December 31, 2024 was reported at ₹2,614.69 lakhs which represents 78.53% of the total income. Total expenses comprise of Cost of Materials Consumed amounted to ₹1,475.32 lakhs (represents 44.31% of the total income), Purchases of Stock-in-Trade amounted to ₹179.81 lakhs (represents 5.40% of the total income), Employee Benefits Expense of ₹300.83 lakhs (represents 9.03% of the total income), Finance cost of ₹30.32 lakhs (represents 0.91% of the total income), Depreciation and Amortisation of ₹30.25 lakhs (represents 0.91% of the total income) and Other expenses of ₹290.79 lakhs (represents 8.73% of the total income).

### ***Cost of Materials Consumed***

Cost of material consumed for the period ended December 31, 2024 was reported at ₹1,475.32 lakhs representing 44.31% of the total income. Major part of cost of material consumed was imports of raw material worth ₹1,081.82 lakhs, which constitute 73.33% of Cost of material consumed.

### ***Purchases of Stock-in-Trade***

For the period ended December 31, 2024, total purchases of stock in trade was ₹179.81 lakhs, this represents 5.40% of the total income. All of these purchase was from domestic market.

### ***Changes in Inventories***

Opening inventory for the period ended December 31, 2024 was ₹578.51 lakhs and closing inventory for the period was ₹271.14 lakhs, which resulted in net increase of inventory amounted to ₹307.37 lakhs.

### ***Employee Benefits Expense***

Employee benefit expenses for the period ended December 31, 2024 was ₹300.83 lakhs and represents 9.03% of the total income. It comprises of salaries and wages of ₹276.38 lakhs, contribution to provident fund of ₹13.27 lakhs, gratuity expense of ₹5.25 lakhs and staff welfare expenses of ₹5.93 lakhs.

### ***Finance Costs***

Finance cost for the period ended December 31, 2024 was ₹30.32 lakhs and represents 0.91% of the total income. It comprises of interest expense from banks of ₹28.42 lakhs and other borrowing costs of ₹1.90 lakhs.

### ***Depreciation and Amortization Expense***

Depreciation and amortization expense for the period ended December 31, 2024 was ₹30.25 lakhs and represents 0.91% of the total income. Depreciation on Tangible Assets and Intangible Assets for the said period was amounted to ₹19.55 lakhs and ₹10.70 lakhs respectively.

### ***Other Expenses***

For the period ended December 31, 2024, other expenses amounted to ₹290.79 lakhs which represents 8.73% of the total income. Other expenses comprise of expenses incurred on advertisement of ₹40.84 lakhs, Business Promotion of ₹37.53 lakhs, Rent expenses of ₹30.50 lakhs, Legal and professional fees of ₹57.52 lakhs, Freight & Courier charges of ₹30.66 lakhs, Subscription, License & Registration Fees of ₹11.45 lakhs, Tours & Travels of ₹23.88 lakhs, Hotel & Lodging of ₹6.96 lakhs, Conveyance of ₹15.18 lakhs, Power & Fuel of ₹6.02 lakhs, Repair and maintenance of ₹6.04 lakhs, Telephone of ₹5.57 lakhs, Office expenses of ₹8.14 lakhs, Insurance of ₹1.33 lakhs, Printing and stationery of ₹0.50 lakhs, GEM Transaction Charges of ₹5.55 lakhs, Recruitments Expenses of ₹0.73 lakhs, Bank Charges of ₹1.09 lakhs, Miscellaneous Expenses of ₹0.18 lakhs, Provision for Doubtful debts of ₹(0.53) lakhs, Commission & Brokerage Expenses of ₹1.22 lakhs and Preliminary Expenses Written Off of ₹0.43 lakhs.

### ***Tax Expenses***

Tax expenses for the period ended December 31, 2024 amounted to ₹211.57 lakhs that comprise of Current tax of ₹220.98 lakhs adjusted of prior period tax and deferred tax of ₹5.48 lakhs and ₹3.93 lakhs respectively.

### ***Profit After Tax***

Profit after tax for the period ended December 31, 2024 amounted to ₹503.49 lakhs. Profit margin i.e. profit after tax as percent of total income was 15.12%.

### **Fiscal 2024 Compared to Fiscal 2023**

#### ***Total Income***

Total income for fiscal 2024 amounted to ₹3,196.69 lakhs which increased by 10.36% compared to total income of ₹2,896.68 lakhs in fiscal 2023. This increase in total income was primarily driven by increase in revenue from operations which increased by 9.82% to ₹3,175.46 lakhs compared to ₹2,891.63 lakhs in fiscal 2023.

#### ***Revenue from Operations***

Revenue from operations for fiscal 2024 has increased by 9.82% to ₹3,175.46 lakhs from ₹2,891.63 lakhs in fiscal 2023. This was primarily due to increase in revenue from sales of products which has increased by 11.44% to ₹3,093.83 lakhs in fiscal 2024 compared to ₹2,776.36 lakhs. Higher revenue from sale of products were driven by higher volumes of Hearing Aids Parts & Accessories and Hearing Aids.

Under Sale of products, primary driver to the segment was revenue from sale of hearing aids parts and accessories which increased to ₹464.63 lakhs in fiscal 2024 compared to ₹75.84 lakhs in fiscal 2023. Also, company has generated revenue from sale of MSIED and TLM kits amounted to ₹160.94 lakhs. Sales from own manufactured hearing aid declined by 7.67% to ₹2,371.95 lakhs in fiscal 2024 compared to ₹2,569.02 lakhs in fiscal 2023.

Revenue from operation represents 99.34% of the total income, of which 96.78% of the total income is contributed from sale of products. Under sale of products, sale of own manufactured hearing aids contributed 74.20% of the total income while sale of third party brands contributed only 3.01% of the total income. Also, Sale of third party brand hearing aid part and accessories contributed 14.53% of the total income.

Sale of services in fiscal 2024 decreased by 29.18% to ₹81.63 lakhs (represents 2.55% of the total income) compared to ₹115.27 lakhs in fiscal 2023, this was primarily due to decline in conversion charges by 26.75% to ₹78.13 lakhs compared to ₹106.66 lakhs in fiscal 2023.

#### ***Other Income***

Other income increased from ₹5.05 lakhs in fiscal 2023 to ₹21.22 lakhs in fiscal 2024, the increase was primarily due to increase in Exchange fluctuation differences which rose from ₹4.09 lakhs in fiscal 2023 to ₹16.46 lakhs in fiscal 2024. Other income represents 0.66% of the total income.

#### ***Expenses***

For the fiscal 2024, the total expenses stood at ₹2,872.31 lakhs (represents 89.85% of the total income) which increased by 4.39% compared to ₹2,751.44 lakhs in fiscal 2023. This was primarily due to increase in cost of material consumed, Employee expenses and Purchase of stock in trade.

#### ***Cost of Material Consumed***

For the fiscal 2024, cost of material consumed increased by 7.34% to ₹2,019.90 lakhs from ₹1,881.69 lakhs in fiscal 2023. Increase in cost of material consumed increased primarily due to increase in freight inwards and Custom Duty & GST. Freight inwards has increased to ₹19.01 lakhs in fiscal 2024 compared to ₹2.88 lakhs in fiscal 2023. Also, Custom Duty & GST has increased to ₹95.42 lakhs in fiscal 2024 compared to ₹49.97 lakhs in fiscal 2023. Cost of material consumed represents 89.85% of the total income.

#### ***Purchases of Stock-in-Trade***

Purchase of traded goods for fiscal 2024 amounted to ₹609.63 lakhs which represents 19.07% of the total income. Purchase of traded goods has increased by 223.66% in fiscal 2024 compared to fiscal ₹188.35 lakhs in fiscal 2023.

### ***Changes in Inventories***

Change in inventory increased to the extent of ₹492.15 lakhs in fiscal 2024 compared to ₹13.56 lakhs in fiscal 2023. Opening inventory for finished goods and stock in trade was ₹62.94 lakhs and ₹23.42 lakhs while closing inventory for finished goods and stock in trade increased to ₹435.14 lakhs and ₹143.37 lakhs, this resulted in net increase in inventory of ₹492.15 lakhs in fiscal 2024.

### ***Employee Benefits Expense***

Employee expenses for the fiscal increased by 14.90% to ₹341.48 lakhs in fiscal 2024 compared to ₹297.20 lakhs in fiscal 2023. Employee expenses represents 10.68% of the total income in fiscal 2024. Increase in employee cost was resulted from primarily increase in Salaries and wages by 14.73% to ₹313.50 lakhs, increase in Contribution to Provident Fund by 9.61% to ₹19.04 lakhs and increase in staff welfare expenses by 97.02% to ₹4.72 lakhs. During the year number of employee increased to 38 from 27 in fiscal 2023.

### ***Finance Costs***

Finance cost represents 1.04% of the total income, company has incurred ₹33.25 lakhs towards the finance cost in fiscal 2024, which increased by 487.28% compared to ₹5.66 lakhs in fiscal 2023. Short term borrowings from banks has increased from ₹121.42 lakhs in fiscal 2023 to ₹400.11 lakhs in fiscal 2024 which has resulted in higher finance cost.

### ***Depreciation and Amortization Expense***

For the fiscal 2024, depreciation and amortization expenses has increased by 24.94% to ₹18.76 lakhs compared to ₹15.02 lakhs in fiscal 2023. This was primarily on account of increase in depreciation on tangible assets and intangible assets by 122.80% and 128.29% respectively. Company has added ₹72.25 lakhs in tangible assets in fiscal 2024.

### ***Other Expenses***

Company has reported ₹341.43 lakhs of other expenses in fiscal 2024 which accounted for 10.68% of the total income in fiscal 2024. The other expenses have declined by 9.45% compared to fiscal 2023 primarily due to decrease in followings expenses:

*Advertisement expenses:* Advertisement expenses have declined by 57.00% to ₹96.84 lakhs in fiscal 2024 compared to ₹225.23 lakhs in fiscal 2023.

*Business Promotion:* Our business promotion expenses declined marginally by 4.77% to ₹24.58 lakhs compared to ₹25.81 lakhs in fiscal 2023.

*Repair and maintenance:* During fiscal 2024, repairs and maintenance have declined by 35.63% to ₹7.23 lakhs compared to ₹11.23 lakhs in fiscal 2023.

*GEM Transaction Charges:* Company have reported fall in GEM charges by 65.46% to ₹4.81 lakhs compared to ₹13.94 lakhs in fiscal 2023.

### ***Total Tax Expenses***

Total tax expenses have increased by 32.21% to ₹18.57 lakhs compared to ₹14.04 lakhs in fiscal 2023. Increase in tax expenses have resulted from higher profits. Current taxes have increased by 118.15% to ₹55.08 lakhs.

### ***Profit for the Year***

Profit after tax for fiscal 2024 have increased by 133.08% to ₹305.81 lakhs from ₹131.20 lakhs in fiscal 2023. Profit margin have improved to 9.57% of the total income compared to 4.53% in fiscal 2023. Higher profits were primarily on account of increase in total income and decline in total expenses as percent of total income from 94.99% in fiscal 2023 to 89.85% in fiscal 2024.

## **Fiscal 2023 Compared to Fiscal 2022**

### ***Total Income***

Total income for fiscal 2023 was reported at ₹2,896.68 lakhs which has increased by 405.51% compared to fiscal 2022. This significant jump in total income in fiscal 2023 is resulted from low base effect in fiscal 2022, while the company operated for full 12 months in fiscal 2023 compared to 8 months of operations in fiscal 2022.

### ***Revenue from Operations***

Revenue from operations have increased by 408.04% in fiscal 2023 to ₹2,891.63 lakhs compared to ₹569.17 lakhs in fiscal 2022 due to low base effect. Higher revenue from operations was realised due to significant increase in volumes of hearing aids sold and parts & accessories sold during the year.

Income from Sale of products has increased by 414.31% to ₹2,776.36 lakhs compared to ₹539.82 lakhs in fiscal 2022. This was resulted from significant increase in revenue from sale of own manufactured hearing aids which increased from ₹449.13 lakhs in fiscal 2022 to ₹2,569.02 lakhs in fiscal 2023.

Company has traded hearing aids, parts & accessories of other domestic and global brands in fiscal 2023 amounted to ₹207.33 lakhs compared to ₹90.69 lakhs in fiscal 2022. We have also traded in parts and accessories worth ₹75.84 lakhs for the first time in fiscal 2023.

Sale of services revenue has increased by 292.76% to ₹115.27 lakhs compared to ₹29.35 lakhs in fiscal 2022.

This increase in segmental revenue have resulted in increase in overall revenue for fiscal 2023.

### ***Other Income***

For fiscal 2023, company has reported the other income of ₹5.05 lakhs which has increased by 31.26% compared to ₹3.85 lakhs in fiscal 2022. Increase in other income was primarily resulted from increase in Exchange fluctuation differences by 49.76% to ₹4.09 lakhs compared to ₹2.73 lakhs.

### ***Expenses***

Total expenses for fiscal 2023 increased by 389.75% to ₹2,751.44 lakhs compared to ₹561.80 lakhs in fiscal 2022. Increase was primarily driven by increase in cost of raw material consumed, Purchases of Stock-in-Trade, Employee expenses and depreciation and amortization expenses.

### ***Cost of Material Consumed***

For fiscal 2023, cost of material consumed increased by 588.34% to ₹1,881.69 lakhs compared to ₹273.37 lakhs. This was primarily driven by increase in sales volume of manufactured goods and traded goods. Company have purchased raw material amounted to ₹1,959.42 lakhs compared to ₹273.03 lakhs in fiscal 2022. Of the total purchase of company has imported 54.02% of the total raw material purchased.

### ***Purchase of Stock-in-Trade***

During fiscal 2023, company has purchased hearing aids, parts & accessories for trading amounted to ₹188.35 lakhs. However, during fiscal 2022 we have not traded any hearing aids, parts & accessories manufactured by domestic and other global brands.

### ***Changes in Inventories***

Change in inventories was increased to ₹13.56 lakhs in fiscal 2023. Opening inventory finished goods was ₹72.80 lakhs which declined to ₹62.94 lakhs and closing inventory of traded goods was 23.42 lakhs.

### ***Employee Benefits Expense***

For fiscal 2023, we have incurred ₹297.20 lakhs towards employee expenses, which increased by 99.49% compared to ₹148.98 lakhs in fiscal 2022. Major increase in employee cost was Salaries and Wages which increased by 95.36% to ₹273.24 lakhs compared to ₹139.87 lakhs in fiscal 2022. Contribution to Provident Fund



increased by 224.30% to ₹17.37 lakhs compared to ₹5.36 lakhs in fiscal 2022. Gratuity and staff welfare expenses increased by 108.40% and 37.30% to ₹4.20 lakhs and ₹2.40 lakhs respectively compared to ₹2.01 lakhs and ₹1.74 lakhs in fiscal 2022 respectively.

### **Finance Costs**

Company has incurred ₹5.66 lakhs as finance cost in fiscal 2023 against nil amount in fiscal 2022. Finance cost comprised of interest expenses of ₹0.88 lakhs and other borrowings cost of ₹4.78 lakhs.

### **Depreciation and Amortization Expense**

During the fiscal 2023, company has charged the depreciation and amortization expenses of ₹15.02 lakhs in fiscal 2023 compared to ₹5.98 lakhs in fiscal 2022. Depreciation on Tangible Assets was ₹9.19 lakhs and Amortization of Intangible Assets was ₹5.83 lakhs. Company has purchased tangible and intangible assets of ₹11.03 lakhs and ₹7.21 lakhs respectively during fiscal 2023.

### **Other Expenses**

Company has incurred ₹377.07 lakhs towards other expenses in fiscal 2023 which increased by 82.80% compared to ₹206.27 lakhs in fiscal 2022. Primary items that have resulted in increase in other expenses are given below:

**Advertisement expenses:** Advertisement expenses have increased by 69.62% to ₹225.23 lakhs in fiscal 2023 compared to ₹132.78 lakhs in fiscal 2022.

**Business Promotion:** it has increased by 588.08% to ₹25.81 lakhs compared to ₹3.75 lakhs in fiscal 2022.

**Rent:** Rent expenses have increased by 68.71% to ₹14.66 lakhs compared to ₹8.69 lakhs in fiscal 2022.

**Freight & Courier:** Freight charges have increased by 955.54% to ₹16.98 lakhs compared to ₹1.61 lakhs in fiscal 2022 due to increase in sales volume.

**GEM Transaction Charges:** company has incurred GEM charges during fiscal 2023 amounted to ₹13.94 lakhs.

### **Tax Expenses**

Tax expenses for the fiscal 2023 was reported at ₹14.04 lakhs compared to ₹0.66 lakhs in fiscal 2022. Current tax was ₹25.25 lakhs, prior period tax was 0.22 lakhs, deferred tax was decreased by ₹2.88 lakhs and MAT credit was amounted to ₹8.54 lakhs.

### **Profit for the Year**

Company has reported the profit after tax of ₹131.20 lakhs in fiscal 2023 which has increased by 1142.45% compared to fiscal 2022 due to low base effect. Profit margin or profit as percent of total income was 4.53% in fiscal 2023 compared to 1.84% in fiscal 2022. Due to better utilization of available assets, overall cost as percent of total income has decreased from 98.04% in fiscal 2022 to 94.99% in fiscal 2023 which was primary reason for increase in profitability.

### **Discussion on Cash Flow Statement**

(Rs in lakhs)

Particulars	As on December 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash (Used in)/Generated from Operating Activities	(73.80)	(99.73)	(29.64)	(282.88)
Cash (Used in)/Generated from Investing Activities	(28.22)	(128.79)	39.88	(177.97)
Cash (Used in)/Generated from Financing Activities	(30.32)	308.19	40.70	468.12
<b>Net Increase/(Decrease) in Cash &amp; Equivalents</b>	<b>(132.34)</b>	<b>79.67</b>	<b>50.94</b>	<b>7.27</b>
Cash & Equivalents at the Beginning	137.87	58.20	7.27	-
<b>Cash &amp; Equivalents at the End of the Period</b>	<b>5.53</b>	<b>137.87</b>	<b>58.21</b>	<b>7.27</b>

## **For the Period Ended December 31, 2024**

### *Net Cash (Used in)/Generated from Operating Activities:*

Profit before tax was reported at ₹715.05 lakhs which was adjusted by amortization, depreciation, interest on borrowings and other adjustment totaling to ₹61.23 lakhs resulting in operating cash flow of ₹776.28 lakhs. However, cash blocked in working capital was ₹634.58 lakhs, negative working capital was primarily resulted from net increase in current assets by ₹1,274.10 lakhs which was adjusted for net increase in current liabilities of ₹639.51 lakhs, resulting in net cash used in working capital amounting to ₹634.58 lakhs which decreased the cash generated from operations to ₹141.70 lakhs. Post adjustment of taxes amounting to ₹215.50 lakhs the net cash used in operating activities was ₹73.80 lakhs

### *Cash from Investing Activities:*

Net cash used investing activities ₹28.22 lakhs during the period ended December 31, 2024. This was primarily on account of net purchase of fixed asset amounting to ₹36.80 lakhs, sale of investment of ₹11.13 lakhs and others of ₹2.56 lakhs.

### *Cash from Financing Activities:*

Cash used in financing activities amounted to ₹30.32 lakhs on account of payment of interest on borrowings.

## **Fiscal 2024**

### *Net Cash (Used in)/Generated from Operating Activities:*

Our company have generated profit before tax of ₹324.38 lakhs which was adjusted for Amortisation expense, Depreciation, Interest on borrowings and Interest Income collectively amounting to ₹51.03 lakhs. Also, the profits have been adjusted for change in working capital where in current assets collectively increased by ₹259.94 lakhs and current liabilities decreased by ₹194.68 lakhs, generating net cash outflow on working capital of ₹454.62 lakhs, resulting in net cash used in operations of ₹79.21 lakhs. Post adjustment of taxes of ₹20.52 lakhs, Cash used for operating activities amounted to ₹99.73 lakhs.

### *Cash from Investing Activities:*

Cash used in investing activities was ₹128.79 lakhs, which was primarily due to purchase of net fixed assets amounting to ₹99.11 lakhs, investment in FD worth ₹8.30 lakhs, Interest income received of ₹1.79 lakhs and Other payment of ₹23.17 lakhs.

### *Cash from Financing Activities:*

During the fiscal 2024, share capital increased by ₹341.44 lakhs and company has paid Interest on borrowings amounting to ₹33.25 lakhs, these adjustments have resulted in Cash generated from financing activities amounting to ₹308.19 lakhs.

## **Fiscal 2023**

### *Net Cash (Used in)/Generated from Operating Activities:*

Our company have generated profit before tax of ₹145.24 lakhs which was adjusted for Amortisation expense, Depreciation, Interest on borrowings, Interest Income and other adjustments collectively amounting to ₹22.03 lakhs. Also, the profits have been adjusted for change in working capital where in current assets collectively increased by ₹870.90 lakhs and current liabilities increased by ₹675.76 lakhs, generating net cash outflow on working capital of ₹195.14 lakhs, resulting in net cash used in operations of ₹27.87 lakhs. Post adjustment of taxes of ₹1.77 lakhs, Cash used for operating activities amounted to ₹29.64 lakhs.

### *Cash from Investing Activities*

Cash generated from investing activities was ₹39.88 lakhs, which was primarily due to purchase of net fixed assets amounting to ₹18.24 lakhs, sale of investment in FD worth ₹135.75 lakhs, Interest income received of ₹0.25 lakhs and Other payment of ₹77.88 lakhs.

#### *Cash from Financing Activities:*

During the fiscal 2023, share capital increased by ₹46.36 lakhs and company has paid Interest on borrowings amounting to ₹5.66 lakhs, these adjustments have resulted in Cash generated from financing activities amounting to ₹40.70 lakhs.

#### **Fiscal 2022**

#### *Net Cash (Used in)/Generated from Operating Activities:*

Our company have generated profit before tax of ₹11.22 lakhs which was adjusted for Amortisation expense, Depreciation, Interest Income and other adjustments collectively amounting to ₹4.97 lakhs. Also, the profits have been adjusted for change in working capital where in current assets collectively increased by ₹412.28 lakhs and current liabilities increased by ₹115.55 lakhs, generating net cash outflow on working capital of ₹296.73 lakhs, resulting in net cash used in operations of ₹280.53 lakhs. Post adjustment of taxes of ₹2.35 lakhs, Cash used for operating activities amounted to ₹282.88 lakhs.

#### *Cash from Investing Activities*

Cash used in investing activities was ₹177.97 lakhs, which was primarily due to purchase of net fixed assets amounting to ₹28.13 lakhs, investment in FD worth ₹146.25 lakhs, Interest income received of ₹1.85 lakhs and Other payment of ₹5.44 lakhs.

#### *Cash from Financing Activities:*

During the fiscal 2022, share capital increased by ₹468.12 lakhs which have have resulted in Cash generated from financing activities amounting to ₹468.12 lakhs.

#### **Non – GAAP financial Measures**

In addition to our results determined in accordance with Accounting Standards, the following non-GAAP measures are useful to investors in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. the non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Accounting Standards, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance.

However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Accounting Standards. Non-GAAP financial information is presented for supplemental informational purposes only, as it has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Accounting Standards.

Non-GAAP financial information may be different from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Accounting Standards to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non- Accounting Standards financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Accounting Standards. Investors are encouraged to review the related Accounting Standards financial measure and the reconciliation of non-GAAP financial measures to their most directly able Accounting Standards financial measures included below and to not rely on any single financial measure to evaluate our business.

**Profit for The Period/Year Margin, EBIT, EBIT (Excluding Other Income), EBITDA (Excluding Other Income), EBIT Margin and EBITDA Margin (Excluding Other Income)**

(₹ in lakhs)

Particulars	As on December 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	3,321.41	3,175.46	2,891.63	569.17
Total Income	3,329.74	3,196.69	2,896.68	573.02
<b>Profit for the Period / Year</b>	<b>503.49</b>	<b>305.81</b>	<b>131.20</b>	<b>10.56</b>
Add: Taxes	211.57	18.57	14.04	0.66
<b>Profit Before Tax</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
Add: Finance Cost	30.32	33.25	5.66	-
<b>EBIT</b>	<b>745.37</b>	<b>357.63</b>	<b>150.91</b>	<b>11.22</b>
Less Other Income	8.33	21.22	5.05	3.85
<b>EBIT (Excluding Other Income)</b>	<b>737.04</b>	<b>336.41</b>	<b>145.85</b>	<b>7.37</b>
Add: Depreciation and amortization Expense	30.25	18.76	15.02	5.98
<b>EBITDA (Excluding Other Income)</b>	<b>767.28</b>	<b>355.17</b>	<b>160.87</b>	<b>13.35</b>
<b>Profit for the Period / Year Margin</b>	15.12%	9.57%	4.53%	1.84%
<b>EBIT Margin</b>	22.39%	11.19%	5.21%	1.96%
<b>EBITDA Margin (Excluding Other Income)</b>	23.10%	11.18%	5.56%	2.35%

- Profit for the Period/Year Margin is defined as profit for the Period/Year as a percentage of total income.
- EBIT is calculated as profit for the period / year plus total Tax expense plus Finance costs.
- EBIT (Excluding Other Income) is calculated as profit for the period / year plus total tax expense plus finance costs less other income.
- EBITDA (Excluding Other Income) is calculated as profit for the period / year plus total tax expense plus finance costs plus depreciation and amortisation expense less other income.
- EBIT Margin is calculated as EBIT as a percentage of Total Income.
- EBITDA Margin (Excluding Other Income) is calculated as EBITDA (Excluding Other Income) as a percentage of revenue from operations.

**Capital Employed and Return on Capital Employed**

Capital employed is calculated as total assets less current liabilities less long term provisions and return on capital employed is calculated as EBIT as percent of capital employed.

Reconciliation of Capital Employed and Return on Capital Employed to Total equity and Profit for the period / year for the periods as given below:

(₹ in Lakhs)

Particulars	As on December 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Assets	3,068.39	1,925.39	1,472.80	594.23
Less Current Liabilities	1,245.78	611.50	810.38	113.54
Less Long Term Provision	15.62	10.39	6.18	2.01
Capital Employed	1,806.98	1,303.49	656.24	478.68
<b>Profit for the Period / Year</b>	<b>503.49</b>	<b>305.81</b>	<b>131.20</b>	<b>10.56</b>
Add: Taxes	211.57	18.57	14.04	0.66
<b>Profit Before Tax</b>	<b>715.05</b>	<b>324.38</b>	<b>145.24</b>	<b>11.22</b>
Add: Finance Cost	30.32	33.25	5.66	-
<b>EBIT</b>	<b>745.37</b>	<b>357.63</b>	<b>150.91</b>	<b>11.22</b>
<b>Return on Capital Employed (EBIT as % of Capital Employed)</b>	<b>41.25%</b>	<b>27.44%</b>	<b>23.00%</b>	<b>2.34%</b>

### Net Worth and Return on Net Worth

Net worth is calculated as Total share capital add general reserves and retained earnings, return on net worth is calculated as Profit for the Period/Year as percent of Net Worth.

Reconciliation of Net Worth and Return on Net Worth is given in below table:

(₹ in Lakhs)

Particulars	As on December 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Share Capital	1,043.89	6.91	6.77	6.74
Reserves & surplus	763.09	1,296.58	649.47	471.94
Net Worth	1,806.98	1,303.49	656.24	478.68
Profit for the Period / Year	503.49	305.81	131.20	10.56
<b>Return on Net Worth (Profit for the Period / Year as % of Net worth)</b>	<b>27.86%</b>	<b>23.46%</b>	<b>19.99%</b>	<b>2.21%</b>

## FINANCIAL INDEBTEDNESS

Our Company has certain loans sanctioned in the ordinary course of its business for the purposes of meeting working capital requirements and capital expenditure requirements. Our Board is empowered to borrow monies as may be required for the purpose of the business of our Company, in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association.

**The following table sets forth details of the aggregate outstanding borrowings of our Company, on a restated financial statement, as at December 31, 2024.**

							(₹ in lakhs)
Category of Borrowings	Sanctioned Amount	Institution Name	Loan Type	Sanction Date	Tenure	ROI	As on December 31, 2024
<b>Secured Loans</b>							
Working Capital Loan	500.00	Punjab National Bank	Working Capital Loan	November 25, 2022	Due for renewal on Annual basis	9.60 %	467.40
<b>Total</b>	<b>500.00</b>						<b>467.40</b>

### Principle terms of borrowing availed by us:

#### Security:

Borrower shall hypothecate entire book debts, present & Future arising out of genuine credit sale transaction.

#### Negative Covenants:

- a. In the event of default, or where signs, of inherent weaknesses are apparent. The bank shall have right to securities the assets charged and the event of such securitization, the bank will suitably inform the borrower(s) and Guarantor(s)
- b. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company.
- c. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
- d. Permit any transfer or controlling interest or make any drastic change in the management including resignation of promoter director.

## SECTION VI-LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; or (d) Material Litigation (as defined below); involving our Company, its Directors, the Promoters and the Group Companies ("Relevant Parties"). Further, there are no disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action.*

*For the purpose of material litigation in (d) above, our Board in its meeting held on January 31, 2025, has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("Materiality Policy"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material if: (i) if the aggregate amount involved exceeds 1% of the profit after tax as per the Fiscal in Restated Standalone Financial Statements.; or (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation does not exceed the amount determined as per clause (a) herein mentioned, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) herein mentioned; and (iii) any such litigation which does not meet the criteria set out in (a) herein mentioned and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

*Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated January 31, 2025. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company equal to or exceeding 5% of trade payables as per the Restated Standalone Financial Statements of our Company disclosed in this Draft Prospectus, would be considered as material creditors. The trade payables of our Company as on December 31, 2024 were ₹504.05. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.*

*For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.*

*All terms defined in a particular litigation disclosure pertains to that litigation only.*

#### **I. Litigation involving our Company.**

##### **A. Litigation filed against our Company.**

##### **1. Criminal proceedings**

Nil

##### **2. Outstanding actions by regulatory and statutory authorities**

Nil

##### **3. Material civil proceedings**

Nil

B. *Litigation filed by our Company.*

**1. Criminal proceedings**

Nil

**2. Material civil proceedings**

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹. lakhs) <sup>^</sup>
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

<sup>^</sup>Rounded off to the closest decimal

**II. Litigation involving our Directors (other than Promoters)**

A. *Litigation filed against our Directors (other than Promoters)*

**1. Criminal proceedings**

Nil

**2. Outstanding actions by regulatory and statutory authorities**

Nil

**3. Material civil proceedings**

Nil

B. *Litigation filed by our Directors (other than Promoters)*

**1. Criminal proceedings**

Nil

**2. Material civil proceedings**

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**III. Litigation involving our Promoters**



A. *Litigation filed against our Promoters*

**1. Criminal proceedings**

Nil

**2. Outstanding actions by regulatory and statutory authorities**

Nil

**3. Material civil proceedings**

Nil

B. *Litigation filed by our Promoters*

**1. Criminal proceedings**

Nil

**2. Material civil proceedings**

Nil

*Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**IV. Litigation involving our KMPs and SMPs(Other than Promoters and Directors)**

A. *Litigation filed against our KMPs and SMPs(Other than Promoters and Directors)*

**1. Criminal proceedings**

Nil

**2. Outstanding actions by regulatory and statutory authorities**

Nil

B. *Litigation filed by our KMPs and SMPs(Other than Promoters and Directors)*

**1. Criminal proceedings**

Nil Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹. lakhs)^
Direct Tax	1	0.58
Indirect Tax	Nil	Nil
<b>Total</b>	<b>1</b>	<b>0.58</b>

<sup>^</sup>Income tax demand amounting to Rs. 50,156 for the AY 2023 under section 1431b of the Income Tax Act, 1961

**Outstanding dues to creditors**

Our Board, in its meeting held on January 31, 2025 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount Rs.504.05 Lakhs as on the

date of the latest period in the Restated Standalone Financial Statements was outstanding, were considered material creditors.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at December 31, 2024, by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in Rs. lakhs)
Material creditors	4	338.32
Micro, Small and Medium Enterprises	3	39.01
Other creditors	42	126.72
<b>Total</b>	<b>49</b>	<b>504.05</b>

The details pertaining to net outstanding dues towards our material creditors as on December 31, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.earkart.in](http://www.earkart.in). It is clarified that such details available on our website do not form a part of this Draft Prospectus.

### Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after December 31, 2024*" on beginning on page 232, there have not arisen, since the date of the last financial information disclosed in this Draft Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND STATUTORY APPROVALS

*We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking this Offer and carrying on our present business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section “**Risk Factors**” beginning on page 29, these material approvals are valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “**Key Regulations and Policies**” on page 156.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its present business activities.*

*Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.*

*Our Company is in the process to submit necessary application(s) with all regulatory authorities for change of its name in the approvals, licenses, registrations and permits issued to our Company.*

### **I. Material approvals obtained in relation to the Offer**

- a. The Board of Directors has, pursuant to a resolution passed at its meeting held on January 04, 2025, authorized the Offer, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on January 06, 2025, authorized the Offer under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- c. The Company has obtained the in-principle listing approval from BSE SME, dated [●].

### **II. Material approvals obtained by our Company in relation to our business and operations**

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

#### **A. Incorporation details of our Company**

- a. Our Company was originally incorporated as a private limited company in the name of ‘*Earkart Private Limited*’ vide Certificate of Incorporation dated April 14, 2021, issued by the Registrar of Companies.
- b. Fresh Certificate of Incorporation dated December 18, 2024 issued to our company by the ROC pursuant to conversion of our Company from private limited to public limited and the ensuring change in the name of our Company from ‘*Earkart Private Limited*’ to ‘*Earkart Limited*’.
- c. The CIN of the Company is U74999DL2021PLC399313.

#### **B. Tax related approvals obtained by our Company**

Sr . N o.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAGCE4235J	Income Tax Department	April 14, 2021.	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
2.	Tax Deduction Account Number (TAN)	MRTE02736G	Income Tax Department	August 13, 2024.	Valid till cancelled
3.	GST Registration Certificate	09AAGCE4235J1ZI	Goods and Services Tax Department	April 15, 2021	Valid till cancelled

**C. Regulatory & Labour / employment related approvals obtained by our Company:**

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Employees' Provident Funds	MRNOI2353951000	Employees' Provident Fund Organization, India.	October 12, 2023	Valid till cancelled
2.	ESIC Registration Certificate	67000840320000999	Employees' State Insurance Corporation	April 14, 2021	Valid till cancelled
3.	UDYAM Registration Certificate	UDYAM-UP-28-0017942	Ministry of Micro, Small and Medium Enterprises, Government of India	April 29, 2021	Valid till cancelled
4.	Shops and Establishment Certificate- Noida, Uttar Pradesh	UPSA10735335	Labour Department, Uttar Pradesh	November 16, 2024	Valid till cancelled
5.	Shops and Establishment Certificate- Delhi	2025070155	Department of Labour Government of National Capital Territory of Delhi	May 19, 2025	Valid till cancelled
6.	Shops and Establishment Certificate- Noida, Uttar Pradesh	UPSA10738169	Labour Department, Uttar Pradesh	May 30, 2025	Valid till cancelled
7.	Importer – Exporter Code Registration	AAGCE4235J	Ministry of Commerce and Industry, Directorate General of Foreign Trade	August 12, 2021	Valid till cancelled
8.	Registration Certificate for Producer <sup>#</sup>	1.1619058092999E+20	Central Pollution Control Board	July 31, 2023	July 30, 2028
9.	Certificate of Registration <sup>@</sup>	GOI/UP/2022/627	Weights and Measures Unit, Department of Consumer Affairs, Ministry of Consumer	February 23, 2022	Valid till cancelled

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
			Affairs, Food & Public Distribution		
10.	Certificate of Registration*	GOI/UP/2024/3772	Weights and Measures Unit, Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution	June 19, 2024	Valid till cancelled
11.	Registration Certificate to Sell, Stock, Exhibit or Offer for Sale or Distribute a Medical Device Including In Vitro Diagnostic Medical Device	UP1642MD00102	State Licensing Authority	April 29, 2024.	April 28, 2029.
12.	Licence to Manufacture for Sale or for Distribution of Class A or Class B Medical Device	MFG/MD/2023/001066	State Licensing Authority.	December 14, 2023.	Valid till cancelled
13.	Free Sale and Commerce Certificate	FSCC000506AM24	Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry	March 21, 2024	March 20, 2026
14.	ISO 9001:2015 – Quality Management System^	E2023032837	Royal Assessments Private Limited	March 29, 2023	March 28, 2026
15.	ISO 13485:2016 Medical Device-Quality Management System&	RQMD91/11498	International Certification Services Pvt. Ltd., accredited by National Accreditation Board for Certification Bodies, India	August 31, 2023	August 28, 2026
16.	Indian Standards IS 16127:2013 obtained for Behind the Ear (BTE) hearing Aids- Digital	CM/L-8800111109	Bureau of Indian Standards, under the Ministry of Consumer Affairs, Food & Public Distribution	July 21, 2024	July 20, 2025.
17.	Certificate of Recognition, DIPP.	DIPP79260	Ministry of Commerce & Industry,	May 04, 2021	April 13, 2031.

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
			Department for Promotion of Industry and Internal Trade		
18.	Certificate of Eligible Business, under section 80-IAC Of the Income Tax Act, 1961	DIPP79260/IMB	Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade	October 25, 2023	April 13, 2031
19.	Legal Entity Identifier (LEI)	335800L6158OA90JZL86	LEI Register India Private Limited	January 27, 2025	January 27, 2027

<sup>#</sup> Grant of registration as Producer of Waste/used Battery in line with the provisions under Battery Waste Management Rules, 2022 for disposal of waste/used batteries.

<sup>©</sup> Registration under Rule 27 of Legal Metrology (Packaged Commodities) Rules, 2011 for hearing aid (model: Fame, Fame P, Fame SP, Max, Pronik).

<sup>\*</sup> Registration under Rule 27 of Legal Metrology (Packaged Commodities) Rules, 2011 for hearing aid (model: Fame, Fame P, Fame SP, Max, Pronik) Tiny, Egfy, Radius, Fame 2T Fort UP.

<sup>^</sup> For TLM Kits and Other Rehabilitative Devices.

<sup>&</sup> For manufacturing and supply of hearing aid.

### III. Material approvals or renewals for which applications are currently pending before relevant authorities

Nil

### IV. Material approvals expired and renewal yet to be applied for



Nil

### V. Material approvals required but not obtained or applied for

Nil


### VI. Intellectual Property


As on the date of this Draft Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Date of Issue	Particulars of the Mark	Trade Mark No.	Class of Registration
July 29, 2021		5065330	10
May 08, 2023		5926674	10

### VII. Pending Intellectual property related approvals Application

- a. As on the date of this Draft Prospectus, our Company has made application for the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Date of Application	Particulars of the Mark	Application No.	Status	Class of Registration
August 12, 2024		6570942	Formality check	10

Date of Application	Particulars of the Mark	Application No.	Status	Class of Registration
June 5, 2024	<b>Radius BTE</b>	6465608	passed Objected	10
June 5, 2024	<b>Fame</b>	6465609	Objected	10
June 5, 2024		6465607	Objected	10

- b. As on the date of this Draft Prospectus, our Company has made application for the following Patent with the Indian Patent Office under the Patents Act of 1970:

Date of Application	Application Number
June 28, 2022	R20241002747* <sup>#</sup>

\* For the invention titled Smart Sound Treatment and Diagnosis System, and Method Thereof.

<sup>#</sup>The Application for the patent is made by Rohit Misra and Monika Misra and have given No Objection certificate to the Company for utilizing, developing, manufacturing or commercially applying the technology and invention.

For risk associated with our intellectual property please see, “**Risk Factors**” beginning on page 29.

## OTHER REGULATORY AND STATUTORY DISCLOUSER

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated January 04, 2025 and the Fresh Issue has been authorized pursuant to a special resolution of our Shareholders dated January 06, 2025.

Our Board has approved this Draft Prospectus pursuant to its resolution dated [●].

Our Board has taken on record the participation of the Promoter Selling Shareholder pursuant to the resolution dated January 31, 2025.

The Promoter Selling Shareholder have consented to participate in the Offer for Sale by way of their consent letter as outlined in the table below:

Promoter Selling Shareholder	No. of Equity Shares of Face value of ₹10 each offered in the Offer for Sale	Date of Board Resolutions	Date of Consent Letter
Rohit Misra	3,34,000	January 31, 2025	January 10, 2025

Our Company has received in-principle approvals from BSE for the listing of the Equity Shares pursuant to letters dated [●].

The Promoter Selling Shareholder confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations, 2018 and it has held the Offered Shares for a period of at least one year prior to the date of filing of the Draft Prospectus.

### Prohibition by SEBI, RBI or other Governmental Authorities

Neither our Company, our Promoter, Selling Shareholders, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India;

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Selling Shareholders, Promoter, members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended ("SBO Rules"), to the extent applicable to each of them as on the date of this Draft 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 past years preceding the date of this Draft Prospectus.



## Eligibility for the Offer

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Offer in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an Issuer whose post issue paid up capital is less or equal to Rs.25 Crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE Limited").

Selling Shareholder have confirmed that he has held her portion of offered shares for a period of at least one year prior to the date of filing of this Draft Prospectus and that it is in compliance with the SEBI ICDR Regulations as amended and are eligible for being offered in the Offer for sale.

We confirm that we comply with Regulation 229 of the SEBI ICDR Regulations and all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

1. Our Company was incorporated on April 14, 2021 under Companies Act, 2013.
2. The present paid-up capital of our Company is ₹1043.89 Lakh and we are proposing offer of Up to 36,49,000 Equity Shares of ₹10/- each at Issue price of ₹[●] per Equity Share including share premium of ₹[●] per Equity Share, aggregating to ₹[●] Lakh comprising a Fresh Issue of up to 33,15,000 Equity Shares of Face Value ₹10 Each and Offer for Sale of up to 3,34,000 Equity Shares. Hence, our Post Issue Paid up Capital will be Up to ₹[●] Lakhs which is not more than ₹2500.00 Lakhs.
3. The Net worth of the Company as per the restated financials is at least Rs.1 crore for preceding 2 Financial years:

Particulars	Fiscal 2024	Fiscal 2023
Net Worth (Rs. In lakhs)	1,302.00	654.00

4. Our Company satisfies the criteria of Net Tangible Asset (Rs.3 Crore in the last preceding Financial year)

Particulars	Fiscal 2024
Net Tangible Asset* (Rs. In lakhs)	1274.00

*\*Net Tangible Asset = Total Assets less total liabilities less intangible assets*

5. Our Company has a track record of at least three years.
6. The Leverage ratio (Total Debts to Equity) of the Company as on March 31, 2024 was 0.31 times which is less than the limit of 3:1.
7. Our Company has operating profits (Earnings before interest, depreciation and tax) from operations for at least any 2 (two) out of 3 (three) financial years preceding the date of filing of this Draft Prospectus and the net worth of our Company is positive as per the latest audited financial statements.

(In lakhs)

Particulars	December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit Before Tax	715.05	324.38	145.24	11.22
Add: Depreciation	30.25	18.76	15.02	5.98
Add: Interest Expense	30.32	33.25	5.66	0.00
Less: Other Income	8.33	21.22	5.05	3.85
Positive Cash Accruals (Earnings Before Interest, Depreciation and Tax)	767.29	355.17	160.87	13.35

As certified by M/s. Timsi & Associates (FRN: 020141C) Chartered Accountants, by way of their certificate dated June 06, 2025

8. There is no change in the promoter/s of the Company in the preceding one year from date of filing application with SME Platform of BSE.

9. Our Company has entered into the tripartite agreements with NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode.
10. Our Company has a live and operational website: [www.earkart.in](http://www.earkart.in).
11. The shares being offered for sale by selling shareholders shall not exceed fifty per cent of such selling shareholders' pre-offer shareholding on a fully diluted basis.
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
13. The fund requirements set out for the Objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter "*Objects of the Offer*" on page 92 of this Draft Prospectus.
14. No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
15. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company or Promoters or our Directors or members forming a part of the Promoter Group or Our Companies/ Entities except as mentioned in the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 250 of this Draft Prospectus.

#### **Other Disclosures:**

- a. Any material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company: **Not Applicable**
- b. Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years: **Not Applicable**
- c. We have disclosed the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation. **Complied**
- d. In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences. **Not Applicable**
- e. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- f. We have a website: [www.earkart.in](http://www.earkart.in)

#### **As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:**

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE Platform ("**BSE SME**"). BSE is the Designated Stock Exchange.
- Our Company has entered into an agreement with both the depositories for dematerialisation 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.

- The entire Equity Shares held by the Promoters is in dematerialised form.
- The size for Offer for Sale does not exceed twenty percent of the total Offer size.
- The shares offered by the Selling Shareholders does not exceed fifty percent of their pre-offer shareholding on a fully diluted basis
- The requirement of firm arrangements of finance through verifiable means towards seventy-five per cent of the stated means of finance for funding from the Offer Proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “*Objects of the Offer*” on page 76.

Our Company confirms that the amount for general corporate purposes, as mentioned in objects of the offer in the offer document does not exceed fifteen per cent. of the amount being raised by our Company.

Further, our Company confirms that it is not ineligible to make the offer in terms of Regulation 228 of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- Neither our Company nor our Promoters or Directors is a wilful defaulter.
- Neither our Company nor our Promoters or Directors is a fraudulent borrower.
- None of our Promoters or Directors is a fugitive economic offender.

**We confirm that in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:**

- In accordance with **Regulation 246** the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- In accordance with **Regulation 260(1) and 260(2)** of the SEBI (ICDR) Regulations, the offer has been hundred percent underwritten and that the Lead Manager to the Offer has underwritten **100.00 %** of the Total Offer Size. For further details pertaining to said underwriting please refer to paragraph titled ‘*Underwriting Agreement*’ under chapter titled ‘*General Information*’ on page no. 49 of this Draft Prospectus.
- In accordance with **Regulation 261** of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and will enter in to Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in the Offer. For further details of the arrangement of market making please refer to paragraph titled ‘*Details of the Market Making Arrangement for the Issue*’ under chapter titled ‘*General Information*’ on page no. 66 of this Draft Prospectus.
- In accordance with **Regulation 268(1)** of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the Issue is not less than two hundred, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within three days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry three days, be liable to repay such application money, with interest as prescribed under the Companies Act, 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

We further confirm that, we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, 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 OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE OFFER DOCUMENT IN RELATION TO ITSLEF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, 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 SARTHI CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 10, 2025 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 OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

Note: All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of the Companies Act.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

As required, a copy of the Draft Prospectus shall be submitted to the BSE SME. The Disclaimer Clause as intimated by the BSE SME to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **DISCLAIMER FROM OUR COMPANY, THE PROMOTER SELLING SHARE HOLDER OUR DIRECTORS AND THE LEAD MANAGER**

Our Company, Selling Shareholders, Our Directors and the Lead Manager accept no responsibility for statements made otherwise than 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.earkart.in](http://www.earkart.in), or the website of any affiliate of our Company and its Group Companies, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Offer Agreement entered into between the Lead Manager and our Company and the Underwriting Agreement dated [●] entered into between the Underwriter and our Company, Selling Shareholders and the Market Making Agreement dated [●] entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company, Selling Shareholders and the Lead Manager to the Applicants and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

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, Selling Shareholders, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

#### **Price Information and the Track Record of the Past Issues handled by the Lead Manager**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Offer as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by the SEBI, please refer to the section “*Disclosure of price information of latest ten issues handled by Sarthi Capital Advisors Private Limited*” in the chapter titled “*Other Regulatory and Statutory Disclosures*” on page no. 259 of this Draft Prospectus and the website of the Lead Manager at [www.sarthi.in](http://www.sarthi.in).

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of `2,500 lakhs, pension fund with minimum corpus of `2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal

requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### TRACK RECORDS OF PAST ISSUES HANDLED BY LEAD MANAGER

**Disclosure of Price Information of latest Issues handled by Sarthi Capital Advisors Private Limited in the past 3 years**

**Table 1**

Financial year	Total no. of IPOs	Total funds raised (Rs. in Crores)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar day from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	2	89.03	-	-	-	1	1	-	-	-	1	-	-	-
2023-24	3	190.28	-	-	2	-	-	1	-	-	-	2	-	-
2024-25	1	199.45	1	-	-	-	-	-	-	-	-	-	-	-

**Table 2**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing Benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]- 180th calendar day from listing
1.	P. E. Analytics Limited	31.60	114.00	April 04, 2022	170.00	-2.07 [-0.80]	-13.62[-7.64]	-6.53 [15.42]
2.	Frog Cellsat Limited	41.57	102.00	October 13, 2022	177.00	19.11 [7.73]	24.14 [5.18]	-1.99/4.16
3.	Homesfy Realty Limited	15.86	197.00	January 02, 2023	275.05	78.28 [-3.19]	45.15 [-4.39]	49.71 [6.18]

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing Benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]- 180th calendar day from listing
4.	Spectrum Talent Management Limited	105.14	173.00	June 22, 2023	155.00	-2.92 [4.80]	-9.03 [26.08]	-23.09 [43.56]
5.	Digikore Studios Limited	30.48	171.00	October 04, 2023	270.00	-3.92 [11.10]	16.05 [18.31]	101.06 [23.91]
6.	Vinyas Innovaive Technologies Limited	54.66	165.00	October 06, 2023	330.00	22.91 [8.27]	98.11 [18.65]	87.59 [24.18]
7.	Stallion India Flourochemicals Limited	199.45	90.00	January 23, 2025	120.00	-41.94 [-1.76]	-42.68 [4.70]	-*

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

\*Has not reached the milestone

## Note

1. The BSE Sensex/ Nifty is considered as the Benchmark Index.
2. Price on BSE/ NSE is considered for all of the above calculations.
3. In case 30th/90th/180th day is not a trading day (trading holiday), closing price on BSE/ NSE of the next trading day has been considered.
4. In case 30th/90th/180thday if there is no trade then the closing price of the next day when trading has taken place has been considered.

## Mechanism for redressal of Investor Grievances

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, UPI ID linked bank account number in which amount is blocked and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

## Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board vide resolution passed at the Board Meeting held on January 31, 2025. For further details, please refer to the chapter titled “Our Management” beginning on page 169 of this Prospectus.

Our Company has appointed Preeti Srivastava as the Company Secretary and Compliance Officer and he may be contacted at the following address:

### Earkart Limited

Shop No. 8-P, Street No. 6,  
Vasundhara Enclave, East Delhi,  
Delhi-110096.  
**Tel.:** 0120-4102857  
**E-mail:** cs@earkart.in

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre- issue or post- issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.



## SECTION VII – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being Offered are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus and Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (together, the “UPI Circular”) Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Further vide the said circular Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholders of our Company. For details in relation to Expenses for the Offer shall be shared amongst our Company and the Promoter Selling Shareholders in the manner specified in “Objects of the Offer” on page 92 of this Draft Prospectus.

#### Ranking of the Equity Shares

The Equity Shares Being offered and Allotted pursuant to the offer shall be subject to the provisions of the Companies Act, 2013, the SEBI Listing Regulations, our Memorandum of Association and our Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment as per applicable law. For further details, please refer to the section titled “**Main Provisions of Article of Association**” beginning on page no. 310 of this Draft Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per the provisions of the Companies Act. For further details, please refer to chapter titled “**Dividend Policy**” and “**Main Provisions of Article of Association**” beginning on pages 310 and 310, respectively.

#### Face Value and offer Price Per Share

The face value of the Equity Shares is Rs. 10/- each and the Offer Price is Rs. [●] per Equity Share. The Offer Price is determined by our Company and Selling Shareholders in consultation with the Lead Manager and is

justified under the section titled 'Basis for Offer Price' beginning on page no. 109 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

#### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act, 2013;
- Right to receive offers for rights Equity Shares and be allotted bonus Equity 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 rules and regulations prescribed by the RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please refer to the section titled ***"Main Provisions of the Articles of Association"*** beginning on page 310 of this Draft Prospectus.

#### **Allotment of Equity Shares in only Dematerialized Form**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer and Share Transfer Agent to the Offer:

1. Tripartite agreement dated October 28, 2024 between our Company, NSDL and the Registrar and Share Transfer Agent to the Offer.
2. Tripartite agreement dated March 17, 2025 between our Company, CDSL and the Registrar and Share Transfer Agent to the Offer.

Investors should note that Allotment of Equity Shares to the successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in dematerialized segment of the Stock Exchange. Allottees shall have the option to rematerialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and Regulation 14 of Depositories Act.

### **Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations and SEBI ICDR (Amendment) Regulations, 2025, our Company shall ensure that the minimum application size shall be two lots per application:

“Provided that the minimum application size shall be above ₹2.00 lakhs.”

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE SME from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within 2 working days of closure of Offer.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities in Delhi.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be 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, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint with benefits of survivorship.

### **Period of subscription list of the Offer**

For details, see “Offer Period” on chapter titled “The Offer” page no. 61 of this Draft Prospectus

### **Nomination Facility to Applicant**

In accordance with Section 72 (1) & 72(2) of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole applicant, or the First applicant along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicant, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form

available on request at our Registered and Corporate Office or to the registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our company. 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.

#### Offer Program

Event	Indicative Date
Offer Opening Date	on or about [●]
Offer Closing Date	on or about [●]
Finalization of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	on or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	on or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	on or about [●]

**Note:**

(1) UPI mandate end time and date shall be at 5.00 p.m. on Offer Closing Date

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Offer Closing Date, the applicant shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the applications Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company, Promoter Selling shareholder 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 three Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, revision of the offer price 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.

Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Offer Closing Date). On the Offer Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Individual Applicants on Offer Closing Date maybe extended in consultation with the Lead Manager, RTA and BE Limited taking into account the total number of applications received up to the closure of timings.

On the Offer Closing Date, the applications shall be uploaded until:

- (i) 4.00 P.M. IST in case of applications by Non-Institutional applications, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of applications by Individual applications.

On the Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading applications received from Individual applicant after taking into account the total number of applications received and as reported by the Lead Manager to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the closure time from the Issue Opening Date till the Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Lead Manager and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per applications /batch and as deemed fit by the Stock Exchange, after closure of the time for uploading applications.

It is clarified that applications not uploaded on the electronic applications system or in respect of which the full Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

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

In accordance with SEBI (ICDR) Regulations, Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Individual applicants can revise or withdraw their Application Forms prior to the Offer Closing Date. Allocation to Individual applicants, in this Offer 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 Application Form, for a particular applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs /stock brokers, as the case may be, for the rectified data.

In case of any revision to the offer price, the Offer Period will be extended by at least three additional Working Days following such revision of the offer price, subject to the Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Lead Manager, for reasons to be recorded in writing, extend the Offer Period for a minimum of one Working Days, subject to the Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the Lead Manager and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of offer price, the Lot size shall remain the same.

#### **Minimum Subscription and Underwriting**

This Offer is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvment of Underwriters, if any, within sixty (60) days from the date

of closure of the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI (ICDR) Regulations, in case the Company fails to obtain listing or trading permission from the stock exchange where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 66 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than ₹1 Lakh (One Lakh) per application.

#### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to 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 promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the SME Platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE.

For further details of the Market Making arrangement see chapter titled “General Information - Details of the Market Making Arrangements for this Issue” beginning on page 66 of this Draft Prospectus.

#### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE (“BSE SME”)

#### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer**

The current provisions of the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialized form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled "Capital Structure" beginning on page 75 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "Main Provisions of the Articles of Association" beginning on page 310 of this Draft Prospectus.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Prospectus with the ROC publish a Pre-Offer 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.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Offer paid up capital is more than ten crores but less or equal to Twenty- five crore rupees shall Offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the BSE i.e. SME platform of BSE).

For further details regarding the salient features and terms of such an Offer please refer chapter titled “Terms of the Offer” and “Offer Procedure” on pages 268 and 279 of this Draft Prospectus.

### Offer Structure

Initial public offering of 36,49,000 Equity Shares of Face Value of ₹10 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] lakhs, comprising a Fresh Issue of 33,15,000 Equity Shares of Face Value of ₹10 each aggregating up to ₹[●] lakhs by our Company and an Offer for Sale of 3,34,000 Equity Shares of Face Value of ₹10 each aggregating up to ₹[●] lakhs by the Promoter Selling Shareholder. The Offer will constitute 26.53% of the post-Offer paid-up share capital of our Company.

The Offer is being made through the Fixed Price Process. For further details, please refer chapter titled “Terms of the Offer” on page 268 of this Draft Prospectus:

Particulars of the Offer	Net Offer to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[●] Equity Shares of Face Value of ₹10 each	[●] Equity Shares of Face Value of ₹10 each
Percentage of Offer Size available for allocation	[●]% of the Offer size (50% for the Individual Investors who applies for minimum application size and the balance 50% for Other than who applies for more than minimum application size).	[●]% of the Offer size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each.  For further details, please refer to the “Basis of Allotment” of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Individual Investors (who applies for minimum application size) using Syndicate ASBA).	
Minimum Application Size	For Other than who applies for more than minimum application size:  Such number of Equity Shares in multiples of [●] equity shares at an Offer Price of ₹[●] each such that the Application Value exceeds ₹2,00,000  For Individual Investors who applies for minimum application size:  [●] equity shares at an Offer Price of ₹[●] each	[●] Equity Shares at an Offer Price of ₹[●] each
Maximum Application Size	For Other than who applies for more than minimum application size:  The maximum application size is the Net Offer to public, i.e., [●] subject to limits	[●] Equity Shares at an Offer Price of ₹[●] each



Particulars of the Offer	Net Offer to Public*	Market Maker Reservation Portion
	<p>the investor has to adhere under the relevant laws and regulations as applicable.</p> <p>For Individual Investors who applies for minimum application size:</p> <p>Such number of Equity Shares in multiples of [●] equity shares at an Offer Price of ₹ [●].</p>	
Mode of Allotment	Dematerialized Form	
Trading Lot	[●] Equity Shares	[●] Equity Shares. However, the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	In case of ASBA, the entire Application Amount will be payable at the time of submission of the Application Form and in case of UPI, application amount shall be blocked at the time of confirmation of mandate collection request by the applicant.	

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

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

*If the category of individual investors who applies for minimum application size is entitled to more than fifty per cent. of the offer size on a proportionate basis, such individual investors shall be allocated that higher percentage.*

Note:

*In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*

*Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.*

*SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.*

### Withdrawal of the Offer

In accordance with the SEBI (ICDR) Regulations, our Company and the Selling Shareholders, in consultation with Lead Manager, reserves the right not to proceed with this offer at any time after the Offer Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company and the Selling Shareholders in consultation with LM withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-offer advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI ICDR Regulations, Non-Individual Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

#### **Offer Program**

<b>Event</b>	<b>Indicative Date</b>
Offer Opening Date	on or about [●]
Offer Closing Date	on or about [●]
Finalization of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account	on or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	on or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	on or about [●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form except that on the Offer Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of applications on the Offer closing date:

- d) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- e) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than individual applicants (who applies for minimum application size).
- f) A standard cut-off time of 5.00 p.m. for uploading of applications received from only individual applicant's (who applies for minimum application size), which may be extended up to such time as deemed fit by Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to Designated Stock Exchange within half an hour of such closure.

It is clarified that Applications not uploaded on the electronic system would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

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

#### **Lot Size**

SEBI vide circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 ("Circular") standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

<b>Sr. No.</b>	<b>Issue Price (in ₹)</b>	<b>Lot Size (No. of shares)</b>
1.	Up to 14	10,000
2.	More than 14 up to 18	8,000
3.	More than 18 up to 25	6,000
4.	More than 25 up to 35	4,000
5.	More than 35 up to 50	3,000
6.	More than 50 up to 70	2,000
7.	More than 70 up to 90	1,600
8.	More than 90 up to 120	1,200
9.	More than 120 up to 150	1,000
10.	More than 150 up to 180	800
11.	More than 180 up to 250	600
12.	More than 250 up to 350	400
13.	More than 350 up to 500	300
14.	More than 500 up to 600	240
15.	More than 600 up to 750	200
16.	More than 750 up to 1,000	160
17.	Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Offer in consultation with Lead Manager, our Company and BSE Limited 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.

## OFFER PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. 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 Offer; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/ the Prospectus before investing in the Offer.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic platform only with a mandatory confirmation on the application monies blocked.*

*The lists of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbroker, Depository Participants (DP), Registrar to an Offer and Share Transfer Agent (RTA) that has been notified by BSE act as intermediaries for submitting Application Forms are provided on <https://www.bseindia.com>.*

SEBI through its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI I) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). The applicability of UPI Phase II was extended from time to time. Thereafter, pursuant to SEBI circular

SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI applicants (“**UPI Phase III**”) was implemented by SEBI, voluntarily for all public issues opening on or after September 1, 2023 and has been made mandatory for all public issues opening on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism. For details, please refer to “**Interest in Case of Delay in Allotment or Refund**” on page 305 of this Draft Prospectus.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

***Investors must ensure that their PAN is linked with Aadhar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.***

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

#### **Phased implementation of Unified Payments Interface**

SEBI has issued various **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment Mechanism, the UPI 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, a Individual Applicant 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 commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, it was decided to extend the implementation of the UPI Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by a Individual Applicant 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 continued to be six working days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to

any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering the facility of making application in public issues shall also provide to make application using UPI Mechanism. Our Company will be required to appoint one of the SCSB 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 Individual Investors using the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

### **Fixed Price Procedure**

The Offer is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present Offer is a fixed price offer, the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to Individual Investors who applies for minimum application size; and
- b) Remaining to:
  - i. Individual applicants other than who applies for more than minimum application size; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the category of individual investors who applies for minimum application size is entitled to more than fifty per cent. of the offer size on a proportionate basis, such individual investors shall be allocated that higher percentage.*

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Offer and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at an Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Individual Investor Portion (who applies for minimum application size) where Allotment to each such Investors shall not be less than the minimum lot, subject to availability of Equity Shares in such 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 LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.**

### **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at applications Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the website of the of 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 Offer Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Offer only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Investors using UPI Mechanism for an application size of up to ₹ 5,00,000 may participate in the Offer through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Application Form for the various categories is as disclosed below:

Category	Color*
Resident Indians and Eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

\* Excluding electronic Application Form

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, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic applications system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries")

- i an SCSB, with whom the bank account to be blocked, is maintained.
- ii a syndicate member (or sub-syndicate member),
- iii a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker"),

- iv a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),
- v a registrar to the offer and share transfer agent('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity),

Individual Investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as 'Intermediaries'), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic applications system of stock exchange will be done by:

For applications submitted by investors to SCSBs:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic applications system as specified by the stock exchange(s) and may begin blocking the funds available in the bank account linked bank account details specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic applications system as specified by the stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to the designated branches of the respective SCSBs for blocking of the funds within one day of the closure of Offer.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant details, including UPI ID, in the electronic system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every applications entered in the Stock Exchanges applications platform, and the liability to compensate ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.



## AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Offer as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e., [www.bseindia.com](http://www.bseindia.com).

## WHO CAN APPLY?

1. Indian national's resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs.25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

18. Insurance funds set up and managed by army, navy or air force of the Union of India and Department of Posts, India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
22. Multilateral and bilateral development financial institutions;
23. State Industrial Development Corporations;
24. Nominated Investor and Market Maker;
25. Any other person eligible to applying in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

- a) For Individual Investors (who applies for minimum application size)

The Application must be for a minimum of 2 lots and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of the Application, the Individual Investors have to ensure that the Application Amount does not exceed Rs.2,00,000.

- b) For Individual Investors who applies for more than minimum application size and other Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount is more than the minimum application size and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than minimum application size for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted [●] equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an Applicant works out to a number that is not a multiple of [●] equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. Since present Offer is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) Minimum fifty percent (50%) To Individual Investors who applies for minimum application size; and
  - b) Remaining to:
    - Individual applicants other than who applies for more than minimum application size; and
    - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.

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

*Explanation: If the category of individual investors who applies for minimum application size is entitled to more than fifty per cent. of the Offer size on a proportionate basis, such individual investors shall be allocated that higher percentage.*

## **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

Except for the Underwriting and Market Making Obligations, the Lead Manager, Underwriters and Market Maker, if any shall not be allowed to subscribe to the Issue in any manner. However, associates and affiliates of the Lead Manager and Syndicate Members, if any, may subscribe to or purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### **OPTION TO SUBSCRIBE IN THE OFFER**

- (a) As per Section 29 (1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form.
- (b) The Equity Shares, on Allotment, shall be traded on stock exchange in demat segment only.
- (c) A single application from any investor shall not exceed the investment limit/ minimum number of specified securities that can be held by him/her/ it under the relevant regulations/ statutory guidelines and applicable laws.

### **INFORMATION FOR THE APPLICANTS**

1. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
2. Our Company shall, after registering the Prospectus with the RoC, make a pre-issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-issue advertisement, our Company and the Lead Manager shall advertise the Offer Opening Date, the Offer Closing Date. This advertisement shall be in the prescribed format as per ICDR Regulations.
3. Copies of the Application Form and the abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach the Designated Intermediaries to register their Applications.
6. Applications made in the Name of Minors and/or their nominees shall not be accepted.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained or UPI ID linked account is maintained in case of individual investor, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.

8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained or UPI ID linked account is maintained in case of individual investor. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account or UPI linked account number is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus**

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

## **APPLICATIONS BY ELIGIBLE NRIS/FII'S/RFPI'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Issue of shares for Allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

## **APPLICATION BY FPIS (INCLUDING FIIS)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

## **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not reregistered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

## **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability partnerships can participate in the Offer only through ASBA process.

## **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- a. *equity shares of a company*: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b. *the entire group of the investee company*: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. *The industry sector in which the investee company operates*: not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **APPLICATIONS BY SCSBS**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **APPLICATIONS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs.25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.



In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of ₹2500 Lacs and pension funds with minimum corpus of ₹2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of the Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in the Prospectus.

#### **OFFER PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **METHOD AND PROCESS OF APPLICATIONS**

- a. Applicants are required to submit their applications during the Offer Period only through the Designated Intermediaries.
- b. The Offer Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding ten (10) Working Days.
- c. During the Offer Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- d. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Offer.

- e. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB with using UPI for payment	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Offer.

- f. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
- g. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
- h. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
- i. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
- j. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/ failure of the Offer or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Offer Account. In case of withdrawal/ failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## **TERMS OF PAYMENT**

The entire Offer price of ₹[●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Offer or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM FOR APPLICANTS**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Applicants shall neither withdraw nor lower the size of their

applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, as the case may be

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, may use UPI. Pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

#### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Individual Investors who applies for minimum application size through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### **Who can apply through UPI mode**

Only Individual Investors who applies for minimum application size are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net Worth Investors shall continue to apply as per the existing process.

#### **Process**

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

#### **Blocking of Funds:**

- a) Investors shall create UPI ID.
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form.
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange.
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission.
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds.
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds.

### **Unblocking of Funds:**

- a) After the offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public offer escrow account and unblocking of excess funds.
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the offer period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **Rejection Grounds Under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **List of Banks Providing UPI Facility**

- a. An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.
- b. A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:
- c. Home >> Intermediaries/Market Infrastructure Institutions >>Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI
- d. Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.
- e. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, may use UPI.

### **Electronic Registration of Applications**

- 1) The Designated Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Designated Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Offer Closing Date.
- 3) The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Designated Intermediaries or (iii) the applications accepted but not uploaded by the Designated Intermediaries.

- 5) The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of the Designated Intermediaries and their authorised agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1)	Symbol
2)	Intermediary Code
3)	Location Code
4)	Application No.
5)	Category
6)	PAN
7)	DP ID
8)	Client ID
9)	Quantity
10)	Amount

\* Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

- 7) With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number (of First Applicant, if more than one Applicant);
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Offer or Designated Branch, as applicable and bank code of the SCSB branch where the ASBA Account is maintained;
  - Bank Account Number and
  - Such other information as may be required.
- 8) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 9) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 10) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 11) The Designated Intermediaries shall have no right to reject the applications, except on technical grounds except as mentioned in the Draft Prospectus.
- 12) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead manager are cleared or approved by the Stock Exchanges;

nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

- 13) The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 14) The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
- 15) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

### **Allocation of Equity Shares**

- 1) The Offer is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for the Market Maker and [●] Equity Shares will be allocated on a proportionate basis to Individual Investors who applies for minimum application size, subject to valid applications being received from the Individual Investors who applies for minimum application size at the Offer Price. The balance of the Net Offer will be available for allocation on a proportionate basis to Individual Investors who applies for more than minimum application size.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Individual Investors who applies for more than minimum application size shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Offer.

### **OTHER INSTRUCTIONS**

#### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are given below:

- i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iv) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB and Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that, Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants' verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Offer Procedure.

### **Option to Receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottee's shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

### **Signing of Underwriting Agreement**

The Offer is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager and on [●].

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of Section 26 of the Companies Act, 2013.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. The Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within three working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within three working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of three working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

## **GENERAL INSTRUCTIONS**

### ***Do's:***

- 1) Check if you are eligible to apply;
- 2) Read all the instructions carefully and complete the applicable Application Form;



- 3) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- 4) Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- 5) Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- 6) Ensure that the Demographic Details are updated, true and correct in all respects;
- 7) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- 8) Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 9) Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account
- 10) under the ASBA process;
- 11) Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form and in case of Individual Investors (who applies for minimum application size) Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- 12) Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- 13) Ensure that you have requested for and receive a TRS;
- 14) Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- 15) Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- 16) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 17) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply for a price different from the price mentioned herein or in the Application Form;
- 3) Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- 4) Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- 5) Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- 6) Do not send Application Forms by post, instead submit the Designated Intermediary only;
- 7) Do not submit the Application Forms to any non-SCSB bank or our Company
- 8) Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- 9) Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- 10) Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Individual Investors (who applies for minimum application size) Applicants);
- 11) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- 12) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- 13) Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Individual Investors (who applies for minimum application size) Applicants who applied, the Company has a right to reject Applications based on technical grounds.

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

## **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- i Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- ii In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- iii Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- iv Decemder not mentioned in the Application Form;
- v GIR number furnished instead of PAN;
- vi Applications for lower number of Equity Shares than specified for that category of investors;
- vii Applications at a price other than the Fixed Price of the Offer;
- viii Application by Individual Investors who applies for minimum application size with Application Amount for a value of more than Rs. 200,000
- ix Category not ticked;
- x Multiple Applications as defined in the Prospectus;
- xi In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- xii Applications accompanied by Stock invest/ money order/ postal order/ cash;
- xiii Signature of sole Applicant is missing;
- xiv Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- xv In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- xvi Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- xvii Applications by OCBs;
- xviii Applications by US persons other than in reliance on Regulations or qualified institutional buyers as defined in Rule 144A under the Securities Act;

- xix Applications not duly signed;
- xx Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- xxi Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- xxii Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- xxiii Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- xxiv Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Offer Closing Date;
- xxv Applications not containing the details of Bank Account and/or Depositories Account.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Stock Exchange, along with the Lead Managers and the Registrar, 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 offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Individual Investors who applies for minimum application size shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

The allotment of Equity Shares to each Individual Investors who applies for minimum application size shall not be less than the minimum bid lot, subject to the availability of shares in Individual Investors who applies for minimum application size category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

**Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

## **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN No's, UPI ID (if applicable), Client ID and DP ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within three working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited where the Equity Shares are proposed to be listed are taken within three working days of closure of the Offer.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- i Allotment shall be made within three working days of the Offer Closing Date;
- ii Giving of Instructions for refund by unblocking of amount via ASBA not later than three working days of the Offer Closing Date, would be ensured; and
- iii If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Impersonation**

*Attention of the applicants is also specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:*

***“Any person who:***

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- 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*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013 and shall be treated as Fraud.”*

**Completion of formalities for Listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within three Working Days of the Offer Closing Date. The Registrar to the Offer may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within three Working Days of the Offer Closing Date.

**Mode of Refund**

- In case of ASBA Applicants: Within three Working Days of the Issue Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- In case of Other Investors: Within three Working Days of the Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

**Mode of Making Refund for ASBA Applicants**

In case of ASBA Application, the registrar of the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Offer.

**Mode of making refunds for Applicants other than ASBA Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

- NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally

feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as “Demographic Details”). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Offer or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;
- Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The Issuer shall make the Allotment within the period prescribed by SEBI. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Offer Closing Date, the applicant shall be compensated in accordance with applicable law, i.e. the applicant shall be compensated at a uniform rate of Rs.100.00 per day for the entire duration of delay exceeding three working days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- 1) That the complaints received in respect of the Offer shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within three working days from Offer Closing date;
- 3) That our Promoter's contribution in full has already been brought in;
- 4) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Offer Closing Date, giving

details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- 6) That no further issue of equity shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
- 7) That the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non - resident Indians shall be completed within specified time;
- 8) That Company shall not have recourse to the Offer proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 9) That if our Company do not proceed with the Offer, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 10) If our Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer; and
- 11) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- 12) That none of the promoters or directors of the company is wilful defaulter or a fraudulent borrower under Section 5(c) of SEBI (ICDR) Regulations, 2018.

#### **UNDERTAKINGS BY THE SELLING SHAREHOLDERS**

Each Selling Shareholder undertakes, severally and not jointly, in respect of itself as a selling shareholder and its respective portion of its Offered Shares that:

- 1) The Offered Shares are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations;
- 2) It is the legal and beneficial owner of the Offered Shares and the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- 3) It shall deposit its respective portion of the Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- 4) It shall provide such reasonable assistance to our Company and the LM in redressal of such investor grievances that pertain to its respective portion of the Offered Shares;
- 5) it shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange; and
- 6) it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchange has been received.

#### **UTILIZATION OF NET PROCEEDS**

Our Board of Directors certifies that:

1. All monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;

2. Details of all monies utilized out of the Offer referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Offer referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of SEBI(LODR) Regulations, 2015 as amended from time to time in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Lead manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar to the Offer:

1. Agreement dated March 17, 2025 between CDSL, the Company and the Registrar to the Offer;
2. Agreement dated October 28, 2024 between NSDL, the Company and the Registrar to the Offer;
3. The Company's shares bear an ISIN: INE1A8F01035.



## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA.

While the Industrial Policy, 1991 has prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government of India 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, GoI, earlier known as Department of Industrial Policy and Promotion ("DPIIT") has issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Foreign investment of upto 100% is currently permitted under the automatic route for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route as per the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits provided under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future 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 Offer 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 or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. 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 in reliance on 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**The above information is given for the benefit of the Applicants. Our Company, and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent**

**investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

For further details, see “*Offer Procedure*” beginning on page 279.

## **SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

### **Earkart Limited**

#### **I. Interpretation**

(1) In this regulations-

- (a) “the Act” means the Companies Act, 2013
- (b) “the Articles” means these articles of association of the Company as altered from time to time;
- (c) “the Board” or “the Board of Directors” means the duly constituted Board of Directors of the Company;
- (d) “the Company” means Earkart Limited;
- (e) “the Director” means the director appointed to the Board of the Company;
- (f) “the Member” means the duly registered holder of shares of the Company, includes the subscribers to the Memorandum of Association of the Company and every person holding shares of the Company and whose name is entered as beneficial owner In the records of the Depository.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

#### **II.Share Capital and variation of rights**

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a director and the company secretary, wherever the Company has appointed a company secretary.

Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction Of the Company and on execution Of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the Company.

4. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any

fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55 of the Act, any preference shares may, the sanction of an ordinary resolutions 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.

### III. LIEN

9. (i) The Company shall have a first and paramount lien—  
(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and  
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.  
(ii) The company's liens if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:  
Provided that no sale shall be made—  
(a) unless a sum in respect of which the lien exists is presently payable; or  
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable,  
(iii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## **Calls on shares**

13. (i) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.  
(ii) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.  
(iii) A may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board—
  - (a) may, if it thinks fit, receive from any Member to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

## **Transfer of Shares**

19. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.  
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of Members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 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.
21. The Board may decline to recognize any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 Of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **Transmission of shares**

23. (i) On the death of a Member, the survivor or survivors where the Member was a joint holder and his nominee or nominees or legal representatives where he was sole holder, shall be the only persons recognized by the Company as having any tide to his interest in the shares,  
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—  
(a) to be registered himself as holder of the share; or  
(b) to make such transfer of the share as the deceased or insolvent Member could have made.  
(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had. if the deceased or insolvent Member had transferred the share before his death or insolvency-
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.  
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing transfer of the share.  
(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers Of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency Of the Member had not occurred and the notice or transfer were a transfer Signed by that Member,
26. A person becoming entitled to share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the company:

Provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **Forfeiture of shares**

27. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together any interest which may have accrued.
28. The Notice aforesaid shall
- (a) name 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 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 made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms it fit.
31. (i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.  
(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares
32. (i) A duly verified declaration in writing that the declarant is 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 favor of the person to whom the share is sold or disposed of;  
(iii) The transferee shall thereupon be registered as the holder of the share; and  
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his titled to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of Capital**

34. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution,
  - a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock,
  - (a) the holders Of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation the dividends and profits of the Company and in the assets on winding up) Shall be conferred by any amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations Shall include "stock" and "stock-holder" respectively.
37. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

### **Capitalization of profits**

38. (i) The Company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such Members respectively;
  - (B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such Members.

### **Employees Stock Option Scheme (ESOP)**

40.1 Notwithstanding anything contained herein, the Board may subject to Applicable Law, at its discretion, frame rules and regulations for the adoption and management of an employee stock option scheme and in that regard may create a trust or other legal entity to hold such number of shares as the Board may from time to time agree, in trust for and on behalf of the employees.

40.2 Employee Stock Option Scheme - Subject to the provisions of the Act and other provisions in Applicable Law in this regard, the Board is hereby authorized to issue shares or debentures (whether or not convertible into shares) for offer and allotment to such of the Directors, officers and employees of the Company as the Board may select or the trustees of such trust as may be set up for the benefit of the officers and employees in accordance with the terms and conditions of such scheme, plan or proposal as the Board may formulate, the Board may impose conditions that the shares in or debentures of the Company so allotted shall not be transferable for a specified time period.

40.3 Notwithstanding anything contained herein, the Board may, subject to provisions of the Act, formulate, adopt and implement an employee stock option scheme and amend the same from time to time subject to approval of the Board and/or Shareholders with majority as may be prescribed by the Act. Any such stock option scheme formulated, adopted, implemented and amended, at any point of time, shall be binding on the Company subject to compliance with provisions of the Act.



## **Buy-Back of Shares**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any Other law for the time being in force, the Company may purchase its own shares or other specified securities.

## **General Meeting**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (iii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or the Members of the Company may call an extraordinary general meeting in accordance with the provisions of the Act.

## **Proceeding at General Meeting**

43. (i) No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their Members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.

## **Adjournment of meeting**

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place,
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **Voting rights**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every Member present in person shall have one vote; and
- (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A Member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of Members,

51. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(iii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed of a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:  
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

58. Subject to the applicable provisions of the Act, the Board of the Company shall comprise of not less than 3 (three) Directors and not more than 15 (fifteen) Directors unless otherwise determined by the Company in a general meeting. The Directors of the Company shall be appointed in accordance with the Act from time to time, to the extent applicable.
59. The following are the first Directors of the Company:
  - (i) Priyadarshi Jha
  - (ii) Shailendra Yadav
60. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.  
(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—  
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  
(b) in connection with the business of the company.
61. The Board may pay all expenses incurred in getting up and registering the company.
62. 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.

63. 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.
64. 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.
65. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
66. (i) The Board may appoint a person, not being a person holding any alternate directorship for any other director in the Company or holding directorship in the same company, to act as an alternate director for a director during his absence for a period of not less than three months from India.  
(ii) No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.  
(iii) An alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.  
(iv) If the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default Of another appointment shall apply to the original, and not to the alternate director.
67. The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.
68. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy shall be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next general meeting. Any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

### **Proceeding of Board**

69. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
70. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
71. 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.
72. (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 [or holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.
73. (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.
- 74. (i) A committee may elect a chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.
- 75. (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 vote.
- 76. 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.
- 77. 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.
- 78. 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.
- 79. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **The Seal**

- 80. (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 one Director or the company secretary or such other person as the Board may appoint for the purpose; and the Director or the company 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**

- 81. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 82. 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.
- 83. (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.

84. (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.
85. 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.
86. (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.
87. 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.
88. 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.
89. No dividend shall be borne against the Company.

#### **Accounts**

90. (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.
91. (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**

92. Subject to the provisions of Chapter XX of the Act and rules made thereunder—  
(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.  
(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members,  
(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

93. 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 IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus, which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus, will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Draft Prospectus with RoC to Issue Closing Date on Working Days from 10.00 a.m. to 5.00 p.m

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable laws.

#### Material Contracts for the Offer

- 1) Offer Agreement dated May 21, 2025, entered into between our Company, the Promoter Selling Shareholder and the Lead Manager.
- 2) Registrar Agreement dated May 21, 2025 entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer.
- 3) Banker to the Offer and Sponsor Bank Agreement dated [●] among our Company, Promoter Selling Shareholder, Lead Manager, Banker to the Offer and the Registrar to the Offer.
- 4) Underwriting Agreement dated [●] between our Company, Promoter Selling Shareholder, Lead Manager and Underwriter.
- 5) Market Making Agreement dated [●] between our Company, Promoter Selling Shareholder, Lead Manager and Market Maker.
- 6) Tripartite Agreement dated March 17, 2025 among CDSL, the Company and the Registrar to the Offer.
- 7) Tripartite Agreement dated October 28, 2024, among NSDL, the Company and the Registrar to the Offer.

#### Material Documents of the Offer

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated [●]; issued by the Registrar of Companies, [●]
3. Fresh Certificate of incorporation dated [●]; issued by the Registrar of Companies, [●]
4. Resolution of the Board of Directors dated January 04, 2025 authorizing the Issue.
5. Shareholders' Resolution passed at the Extra-Ordinary General Meeting of the Company held on January 06, 2025 authorizing the Issue.
6. Report of our Peer Reviewed & Statutory Auditor dated May 26, 2025 regarding the Restated Financial Statement of our Company for period ended December 31, 2024 and financial year ended, March 31, 2024, 2023 and 2022.
7. Statement of Tax Benefits dated May 30, 2025 issued by our Statutory Auditor.
8. Certificate dated June 10, 2025 issued by Timsi & Associates., Chartered Accountants, certifying the KPIs of the Company.

9. Resolution of Audit Committee dated June 10, 2025, verifying the key performance indicators.
10. Consents of our Directors, Chief Financial Officer, Company Secretary and Compliance Officer, LM, Legal Advisor to the Offer, Statutory and Peer Reviewed Auditor, Registrar to the Offer, Escrow Collection Banks, Public Offer Account Bank, Sponsor Banks, Refund Bank, Bankers to our Company and Syndicate Members as referred to in their specific capacities.
11. Due diligence Certificate dated June 10, 2025 addressed to BSE Limited issued by the LM
12. In - principle listing approvals dated [●] from BSE Limited.
13. Exemption application filed by our Company dated January 02, 2025, seeking exemption under Regulation 300(1)(a) of the SEBI ICDR Regulations, subsequent clarifications dated February 10, 2025 and March 18, 2025.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### Signed by the Directors of our Company

Name	DIN	Designation	Signature
Rohit Misra	00775537	Managing Director	Sd/-
Monika Misra	06939593	Whole Time Director	Sd/-
Ajay Kumar Giri	09505964	Director	Sd/-
Rahul Salesha	09540291	Executive Director	Sd/-
Sidhartha Pradhan	06938830	Independent Director	Sd/-
Lakshman Shyam Singh	10913125	Independent Director	Sd/-
Rajhkumar Jaain	07753737	Independent Director	Sd/-

### Signed by the Chief Financial Officer and Company Secretary of our Company

Name	PAN	Designation	Signature
Preeti Srivastava	BLHPS6688B	Company Secretary and Compliance Officer	Sd/-
Ajay Kumar Giri	AWKPG8284E	Chief Financial Officer	Sd/-

**Date:** June 10, 2025

**Place:** Noida



### **DECLARATION BY SELLING SHAREHOLDER**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Prospectus are true and correct.

**Signed by the Promoter Selling Shareholder**

**Sd/-**

---

**Rohit Misra**

**Date:** June 10, 2025

**Place:** Noida